



# Vivek

*Issues & Options*

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Appointing The Next CAG

RBI Monetary Policies

The Justice System

Pakistan's Resolution On Kashmir

*and many more ....*

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# India In Global Affairs

- *Kanwal Sibal*

The back to back visits of French President Francois Hollande and British Prime Minister David Cameron to India in February call attention to the European dimension of our foreign policy. Many in our establishment have a tendency to dismiss the importance of Europe.

It is argued that Europe is trapped in low growth structurally, its population is ageing, its welfare system is becoming unsustainable, its products are not sufficiently competitive, it has reached a level of comfort that makes reforms difficult, it has lost its edge in innovation, its defence capacities have got eroded with the decline in defence budgets and peace in the continent. The Eurozone crisis has strengthened the already negative perceptions.

Such thinking is fed by the conviction that global economic power is shifting from the West to Asia, and, along with that, political and military equations are also changing. Sooner or later,

it is believed, the US/European hold over international political and economic institutions will be loosened. On the issue of “values”- those of democracy, pluralism, human rights and the like- both the aggressive manner in which US/Europe propagate them and the double standards adopted in this exercise has eroded their appeal, not to mention that China’s economic success in moving hundred of millions out of poverty under an authoritarian regime offers a competing model for numerous countries that have no tradition of democracy and no attachment to it.

India’s own high growth rates in the last few years, the transformation of its image from a poverty stricken country to an engine of growth for the global economy hit by recession, the bracketing of India with China in economic discussions in the perspective of these two countries steadily recovering their share of the global economy which was lost to Europe after the 16th century, the projections that India will

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become the third largest economy in the world by 2030, has led to the development of a certain world view in which Europe no longer looms as large as before. The US still retains its hold on the mind of those looking at India's future.

Despite its current financial and economic troubles, it is believed that the US is still capable of innovation and that its recovery will be quicker than that of Europe. US military strength and its presence in all regions of the world also gives assurance that through good understanding with it many of the challenges India faces can be met or alleviated, whether that of terrorism or the threats posed by the rise of China. Europe, militarily dependent on the US, is not considered as a potent enough partner in this and hence a certain amount of disdain for the value of the strategic relationship with it.

Some commentators are presumptuous in arguing that for France, for instance, "to become a partner more in synch with a new post-liberalisation India, the key

would be to make itself meaner and leaner at home", a reference to hard decisions it needs to take on welfare costs and government spending. It is not clear whether with some 300 millions below the poverty line, urban decay, inadequate sanitation and the anguish in the country about poor governance we can smugly refer to the "new post-liberalisation India".

Our declining growth rates, large fiscal deficit, expanding current account deficit, the fall in the value of the rupee, are problems we need to address urgently before we are in a position to give lessons on economic management to Europe. Sniping at the French economic model that is ceaselessly attacked by the Anglo-Saxons who believe in less government, less regulation and weak trade unions hardly clarifies the debate on the Indian situation and the economic and social policies we should pursue. It is not clear where calls for "inclusive growth" in India figure in the thinking of those who find continental Europe's welfare model incompatible with the new Indian economy.

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Europe, in which France and the UK are key countries, is our biggest trade and investment partner as a whole. It is for this reason that the crisis in the Eurozone has affected us, whereas we were able to weather better the impact of the 2008 financial crisis in the US. France and the UK are the world's fifth and sixth largest economies. To believe that our economic ties with them can be neglected is being myopic. Both countries have much to offer us by way of high and advanced technologies, both civil and military; they provide markets for our products; two-way investment flows are important for our growth and for Indian companies to acquire assets that would strengthen their international profile and make them more competitive globally. In the WTO negotiations and those on Climate Change and the linked issue of green and carbon technologies, both countries are undeniably important. In the India-EU negotiations on a Free Trade Agreement, the role of these countries cannot be underestimated, which is why during both visits India has called for a broad-based and balanced agreement in 2013.

French President Hollande chose India as his first destination in Asia and arranged to come early into his tenure. He wanted to signal that France attached high importance to its relations with India, more so the upsurge in the relations at the strategic level occurred during the presidency of his two predecessors belonging to the Gaullist tradition. As a Socialist president he wished to signal continuity in the relationship. There is good reason for France to focus on India as opportunities are immense for French equipment and products in an emerging market like India, with a growing middle class avid for consumer goods, with an industry in need of modernization and technological up-gradation and an infrastructure desperately requiring improvement for which the government plans 1 trillion \$ of investment in the next five years.

French economic presence in India is already considerable. The level of two-way trade at Euros 8 billion is not high. The target set in 2008 to double the trade then to Euros 12 billion by 2012 has not been met. French economic troubles and lower growth in India will not make it easy to increase trade volumes

dramatically. On the investment side, while official figures show \$3.5 billion French investments in India and \$300 million Indian investments in France, the real figure of French investment, if investment from all sources by its global companies- from Mauritius, Singapore etc- is taken into account and not only mainland France, the figure is an impressive 17 billion.

A similar study of Indian investments in France would show a different figure, though it can be said that French regulatory requirements and labour laws discourage Indian investments in France as compared to the UK, for instance. The problems faced by Laxmi Mittal's steel business in France could not but have dampened enthusiasm, though the fall-out from the issue seems to have been contained. Some 750 French companies are implanted in India, employing around 240,000 skilled workers. Much R&D work is being done by companies like Lafarge, Alstom,

L'Oreal, Cap Gemini, STMicroelectronics etc. France has strengths in the areas of urban development including infrastructure, water and waste management, transport and urban planning, apart from railways, and the president's visit focused on them.

The civil nuclear dimension in Indo-French relations is of

The civil nuclear dimension in Indo-French relations is of particular importance. The Jaitapur Nuclear Power Project, when finalized, will crown the constructive policy France has pursued on the nuclear issue involving India within the constraints imposed by the western policy of sanctioning India for non-adherence to the NPT, cultivating the ground for the eventual NSG exception for which the US played the most critical role.

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sanctioning India for non-adherence to the NPT, cultivating the ground for the eventual NSG exception for which the US played the most critical role. The new 1650 French EPR reactors, six of which will be located at Jaitapur, have undergone an intensive safety review after Fukushima, to India's satisfaction. The issue of cost remains and so far there is no

closure. Ways to reduce costs by manufacturing some components in India have been explored. Our effort is to bring the tariff figure as close as possible to the Kudankulam 3 and 4 tariff; there is also the issue of periodic escalation of cost of French supplies whereas the Russian deal is on a fixed price basis.

Hollande would have ideally wanted some demonstrable progress in negotiations in the context of his visit. The positive language of the joint statement would have given some satisfaction to the French, as it states that the status in regard to the first two EPR units was reviewed and the hope expressed for an expeditious conclusion of the negotiations. The Prime Minister in his joint press briefing stated reassuringly that “both leaders reviewed progress on the Jaitapur Nuclear Power Project and reiterated their commitment to its early implementation as soon as the commercial and technical negotiations, which have made good progress, are completed”.

Indo-French defence cooperation has been long-standing, with France supplying over the last almost 60 years a whole range of

defence equipment. Our relationship with France in this sensitive domain has been time-tested, with France proving a reliable defence partner. France nevertheless has to contend with strong competition, not only from fellow Europeans, but also the Israelis and the Americans. Winning the 126 fighter aircraft contract against the Eurofighter has been a remarkable French success. Resistance from the British has not ended though, as they still look for an opportunity for re-entry should negotiations with Dassault falter.

It is believed that Cameron had intended to flag Eurofighter’s case to the Prime Minister, but statements during Hollande’s visit that contract negotiations were proceeding smoothly may have deterred him. The French had been told in advance of Hollande’s visit though that the Rafale contract would not be ready for signature. The French president would have wanted some statement from our side during the visit that would give him assurance of progress towards finalization, which he got in the joint statement that mentions that “both sides noted the progress of ongoing negotiations on the MMRCA

programme and look forward to their conclusion”. PM’s statement to the effect that “discussions on the MMRCA contract are progressing well” would have added to the satisfaction.

The French could have legitimately hoped that at least the finalization of the much delayed SR-SAM project would be announced during Hollande’s visit. Here too the French had to live with disappointment, though the positive language in the joint statement- “steps are being taken for early finalization of the SRSAM Project”- would have been re-assuring, as would have been PM’s statement that “we have also concluded negotiations on the Short Range Surface to Air Missile, which, once approved by the Government, will be co-developed and co-produced in India”. The PM noted additionally that “there is a welcome shift from defence trade to co-development and co-production of advanced defence items in India, which will help expand our domestic production base and strengthen the India-France strategic partnership”.

In the domain of space, another significant area of Indo-French cooperation, the next step after

the successful launch of the SARAL satellite is the ambitious follow-on space cooperation proposals drawn up the respective space agencies in early February, which the Indian side expects, should open up prospects for exchanges in satellite technology. Hollande’s visit focused considerably on education, scientific & technology cooperation. About 16 agreements were signed in these areas. France will be the partner country for the 2013 Global Technology Summit to be held in New Delhi. The French are keen to increase the number of Indian students in France and vice versa as the economical/commercial advantages of this is recognized, by Hollande himself in his public remarks.

Cameron’s visit followed closely on the heels of that of Hollande and therefore invited comparison. The UK possesses a wide range of defence technologies and cooperation in this area is considerable. However, unlike France which is building submarines in India and huge aircraft and missile programmes are under discussion, besides being a contender for a major helicopter contract, the UK is not involved in such big ticket



programmes. It does not have nuclear reactors to offer, nor is it involved in space cooperation with India.

The “strategic” content of its ties with India is therefore less substantial. During Cameron’s visit it was decided to begin negotiations on a civil nuclear agreement. It was also agreed to step up cooperation between DRDO and the UK Defence Science and Technology Organisation, already agreed in September 2011, but it would seem visas have been denied to DRDO scientists because of the work DRDO does on strategic programmes.

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Unlike France, which is relatively more liberal in technology transfers, the UK has been restrictive and this has to change to boost technological cooperation. Cameron committed the UK to make available to India the cutting edge British technology, civil and military, that the UK currently shares with its top international partners, but it remains to be seen how much this gets translated into reality.

On a more positive side, the co-investment made by both countries in supporting joint research activities has risen from £1m in 2009 to over £100m today with advanced manufacturing, bio-energy, smart grids, energy storage, next generation wireless systems and applied mathematics as areas of collaboration. The energy sector including oil and gas, renewable energy, energy efficiency, the power sector, low carbon technologies are areas identified for fruitful exchanges, with India welcoming the

substantial British investment in its energy sector.

On the economic side, while preparing for

Cameron’s visit, it was thought that a signature project such as the Mumbai-Bangalore industrial corridor for British investment was needed for creating a real impact. India has been interested in British investment in its infrastructure, for which a joint Infrastructure Committee set up in 2011 has not produced much result so far.

Sceptics in India have felt that the economic crisis in the UK hardly gave hope of any major UK

investment. Cameron actually spoke of British architects, planners and designers for the project, not the kind of financing made by the Japanese in the DMIC. In the event this signature project was treated in highly non-committal language in the joint statement as well as our PM's statement, which said, respectively, that both leaders "noted the UK's interest in cooperating with India for the development of a new Bengaluru-Mumbai Economic Corridor (BMEC). The leaders agreed to examine and evolve the modalities and content of a feasibility study of this project concept through mutual discussions and to work out a roadmap for a possible partnership in this area" and that "we have asked our officials to explore British participation in India's National Manufacturing and Investment Zones and in a possible industrial corridor in the Mumbai-Bangalore sector". This is verbiage indeed.

The UK has strength in services and Cameron's accent was on them as a driver for enhancing India-UK exchanges. While he promised to further reduce barriers for Indian investment in the UK, he wanted India to

reduce barriers for British architectural, legal, accountancy, financial and banking services. He emphasized UK's interest in the education and health sectors (an over-arching MOU at the government-to-government level was concluded to strengthen cooperation in this sector), noting that India's 500 million people under the age of 25 had to be educated and British educational institutions were open to them.

To set at rest concerns about UK's immigration and visa policies, he emphasized that there was no limit to the number of Indian students going to Britain and doing graduate jobs. He also promised same day visa services for Indian businessmen to attract more Indian investment in the UK, noting that 50% of Indian investment in Europe was in Britain. In the field of investment, UK is India's 3rd largest FDI investor country with over \$ 8 billion of investment in the last six years. India is the 5th largest investor in the UK, with Cameron pushing them to invest more and signaling that the British did not believe in "economic nationalism". About 700 Indian companies are operating in the UK, with the Tata group being the largest employer. The UK is the largest

market in Europe for Indian IT services.

On political and security issues there was considerable parallelism in the documents issued at the end of the two visits. Both leaders reiterated support for India's candidature for permanent membership of the UN Security Council as well membership of the NSG, the MTCR, the Australia Group and the Wassenaar Arrangement, the four export control bodies. With

both countries enhanced cooperation in cyber security and counter-terrorism was underlined. Terrorism was deplored strongly and Pakistan asked

With both countries enhanced cooperation in cyber security and counter-terrorism was underlined. Terrorism was deplored strongly and Pakistan asked to expeditiously try those guilty of the Mumbai terrorist attacks.

to expeditiously try those guilty of the Mumbai terrorist attacks. The constitutional principles on which the inter-Afghan dialogue should be conducted were stressed during both visits. This was important for India in the case of the British who are seen as pushing for accommodating the Taliban in the power structure in Kabul and being insufficiently transparent with the Indian side. It is in this context that with the UK it was agreed to establish a new Joint

Working Group for a regular bilateral dialogue on peace, security and development in Afghanistan.

Where there wasn't parallelism was in India and the UK expressing their commitment to working towards a world free of nuclear weapons and holding regular consultations on disarmament and non-proliferation issues. The French haven't joined the bandwagon of Global Zero and hence this subject

did not figure in the documents issued during Hollande's visit. Surprisingly, the joint document with France did not speak of Syria and Iran, whereas in

the case of the one with the UK, called, significantly, for a peaceful resolution of the Iranian nuclear issue.

In the case of Mali, India supported action against terrorists there, earning Hollande's public appreciation of this support for French military action. It is not surprising that India and France reaffirmed their independence and strategic autonomy, a language

understandably missing in the joint India-UK statement given UK's strong commitment to NATO and its trans-Atlantic ties. India and France agreed to establish an annual bilateral dialogue between the two Finance Ministries on economic and financial issues, but no such dialogue was instituted with the UK. Finally, our PM conveyed his very serious concern to Cameron regarding allegations about unethical means used in securing the 2010 contract for Agusta Westland helicopters. The eruption of this scandal was untimely for the Cameron visit.

All said and done, both visits were successful. No major agreements were announced during these visits and to that extent they lacked dramatic outcomes. The visits were more an expression by both leaders of their desire to invest in the India relationship in

a longer term perspective. Cameron exuded a lot of goodwill for India, rather earnestly, and so did Hollande in his own style. France has no history to live down in India, unlike the UK, which makes the relationship with France easier to handle psychologically. India has been offered political and economic space by both countries to capitalize on. We should play our hand intelligently and derive the maximum benefit from these important bilateral relationships with two of the world's leading powers. However important the US may be, the importance of Europe should not be minimized, especially at a time when India is in transition and needs as many partners as possible for securing a bright future.

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# Need For A Collegium To Choose The Next CAG

- *A. Surya Prakash*

Speaking on the role and functions of the Comptroller and Auditor General (CAG) of India in the Constituent Assembly on May 30, 1949, Dr. B.R. Ambedkar, Chairman of the Constitution Drafting Committee, said that this officer was “probably the most important officer in the Constitution of India” because he is the one man who is going to see that the expenses voted by Parliament are not exceeded or varied. “If this functionary is to carry out the duties and his duties,

I submit, are far more important than the duties even of the judiciary .....I personally feel that he ought to have far greater independence than the Judiciary itself”.

Without exception, every member of the Constituent Assembly who spoke on the articles relating to the CAG, including T.T. Krishnamachari (TTK), Pandit Hriday Nath Kunzru, K.T. Shah

and R.K. Sidhva – fully endorsed Dr. Ambedkar’s sentiments. The primary objective of the assembly appeared to be to clothe the CAG with such powers that the executive would in no circumstances be able to weaken his independence and objectivity. As a result, the first amendment moved that day was to change the nomenclature of the Auditor General to Comptroller and Auditor General, because as TTK said, the function of the Auditor General is not merely to audit but to have a control over the expenses of government. The nomenclature, he said, should be in consonance with the duties that are entrusted to him by the constitution. The House also took some more decisions in this regard, including the decision to put the administrative expenses of the office of the CAG including salaries, allowances and pensions payable on the charged account (meaning that these expenses would not be voted upon by

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parliament); to have the president appoint the CAG by warrant under his hand and seal; to affirm that the CAG can only be removed from office in like manner and on the like grounds as a Judge of the Supreme Court; and to direct that the appointee shall, before entering office, make and subscribe before the President, an oath or affirmation as set out in the Third Schedule. The debate in the Constituent Assembly and the final wording of these Articles in the Constitution tells us a lot of the exalted perch that the founding fathers gave to the CAG.

This background is essential in order to understand the mischief that may be afoot at this juncture to undermine the independence of this institution while choosing a successor to Mr. Vinod Rai, the incumbent CAG, with whom the Congress Party- led United Progressive Alliance (UPA) government at the Centre has been having a running feud. The union government has repeatedly locked horns with the CAG over the last two years because its

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image has taken a beating over the scams exposed by the country's supreme audit agency including the ones relating to the conduct of the Commonwealth Games and the scandalous and unfair manner in which 2G Spectrum and coal blocks were sold to private entities. Since they had no credible defence, several ministers in the union government and some leading members of the Congress Party have gone on the offensive

and tried, without much success though, to accuse the CAG of having a political agenda.

### **Government's Discomfort with an Independent CAG**

Meanwhile, since the incumbent CAG, Mr. Rai is

due to retire in May, 2013, there is a lurking fear that the union government may see this as a god send and try to have a "committed" CAG in place, just like the "committed judiciary" that the Congress Party wanted during the Emergency. This fear is not without basis. In fact, Mr. V. Narayansamy, the Minister of State in the Prime Minister's Office let the cat out of the bag some months ago when he told

PTI, the reputed news agency, that the government intended to make the office of CAG a multi-member body. In that interview the minister had claimed that the government was considering the recommendations made by the V.K. Shunglu Committee on broad-basing the CAG and making it a multi-member body. The minister's statement, coming as it did in the wake of the financial scandals unearthed by the CAG, caused a political uproar forcing the minister to retract and even claim that he had been "misquoted". But, this was enough for all to realize that the government's intentions were not sanguine.

There is a history to these fears because the Congress Party, which enjoyed a two-thirds majority in Parliament in the 1970s, turned India's democracy into a dictatorship, made drastic constitutional changes to weaken the judiciary and virtually wrecked the independence of many constitutional authorities, including the CAG. The mantra in those days, as stated earlier, was a "committed" judiciary – meaning a judiciary committed, not to the Constitution, but to the prime minister of the day Ms. Indira Gandhi. Similarly, the

government, which had imposed the Emergency in 1975, passed orders to weaken the office of the CAG. We have it on the authority of Mr. Y. Krishnan, former Deputy CAG, that until 1976, all papers and documents pertaining to the subject matter under audit scrutiny were made available to CAG and this included secret and confidential records. However, in 1976 the government decided that "only books and accounts need be made available to Audit and it was not obligatory for government to furnish records or papers containing discussions within government, leading to a particular decision or formulation of a particular policy". Luckily the Janata Party which was voted to power in 1977 repaired much of the damage done to our democratic Constitution by restoring the original articles and deleting the obnoxious amendments introduced during the Emergency. Similarly, the orders passed to weaken the CAG in 1976 were withdrawn and the original authority of the CAG was restored by the Janata Party, which put democracy back on track.

However, it would be unwise to think that these undemocratic tendencies are now part of history, because the ruling dispensation

has often laboured to remind us that the Emergency mindset is still alive and kicking. Two recent decisions of the government – the appointments of Mr. Navin Chawla as Election Commissioner and Mr. P.J. Thomas as Central Vigilance Commissioner – go to establish that the Congress Party’s discomfort with healthy democratic norms and independent constitutional authorities persists. The damage that these appointments did to the democratic environment will be discussed a little later.

Meanwhile, if we are to prevent the executive (politicians) from undermining the constitutional scheme, a collegium approach to the selection of the CAG becomes an urgent necessity. The CAG is fully empowered by Articles 148-151 to discharge his functions independently and fearlessly. But if the choice of the CAG is left to the government of day, specially in times such as these, there is every danger of the government choosing a person who is not strong enough morally and ethically to leverage the powers vested in him by the Constitution and act without fear or favour.

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Some retired bureaucrats and Members of the Forum of Retired Officers of Indian Audit and Accounts Service have fired the first salvo in this regard by writing to the President Mr. Pranab Mukherjee and the Prime Minister demanding that the need of the hour is a “transparent, institutionalized selection mechanism” for choosing the next CAG.

They have suggested that a Committee headed by the Prime Minister and comprising the

Finance Minister, the Lok Sabha Speaker, the Leader of the Opposition in the Lok Sabha, the Chairman of the

Public Accounts Committee and the Chief Justice of India or a legal luminary should be constituted to select the CAG. The signatories to this memorandum have also referred to the precedents that now exist for adopting the collegium approach to appointing persons to high offices. They refer to the committees constituted to choose the Central Vigilance Commissioner and the Chairman of the National Human Rights



Commission. The same procedure should be adopted to select the CAG, they say. Does this not merit consideration in view of the past record of the UPA?

### **Left to the PM, it could be another P J Thomas!**

The National Commission to Review the Working of the Constitution (NCRWC) deliberated on the procedure to choose the Comptroller and Auditor General.

In its report, it said “A fairly persuasive school of thought has argued that to uphold transparency and integrity in public life, the appointment of the C&AG should not be the exclusive preserve of the executive but a committee consisting of the Prime Minister, the Union Finance Minister, the Speaker of the Lok Sabha, the Leader of the Opposition and the Chairman of the Public Accounts Committee should be empowered to make the appointment”.

It however stopped short of making that recommendation because it felt that “in our situation it would be counter-productive to undermine the constitutional and moral authority of the Prime Minister by

stipulating a mechanism that would supplant his decision-making”. Instead, it recommended that a “healthy convention” be developed to consult the Speaker of the Lok Sabha before appointing the CAG. This would ensure that “the views of the Public Accounts Committee are also taken into account”, while choosing a person for that office.

The Commission submitted its report 11 years ago, long before the ministers of UPA-II displayed brazen favouritism and rank irresponsibility in the sale of 2G Spectrum or coal blocks and Suresh Kalmadi presided over the Commonwealth Games Scandal. One can be fairly certain that Justice M.N. Venkatachalaiah, who presided over this Commission, and other members would have been far more circumspect on the issue of protecting the “moral authority” of the Prime Minister if they were to be writing the Commission’s report today.

In all probability, the scandals that have tumbled out of the government’s cupboards over the last two years and the political attack on the office of the CAG by ministers in the government would have persuaded the Commission to go along with the

opinion expressed by Dr. P.B. Mathur, former Deputy CAG, in this regard in the consultation paper he submitted to the Commission. Dr. Mathur had said that in India, it would be necessary to keep the office of CAG outside the exclusive purview of the executive. “Recommendations regarding his appointment should be made by an independent committee. One could suggest that the committee should consist of the Prime Minister, Finance Minister, the Leader of the Opposition of the Lok Sabha and Chairman of the Public Accounts Committee. There is also need to prescribe qualifications for appointment to the post and a person who has substantive experience of public sector accounting and auditing systems should only be appointed”.

The collegium approach to appointment of the CAG is nothing new. Several other democracies have already adopted it in one form or the other. Dr. Mathur explains that in the U.K, the Prime Minister and Chairman of the Committee on Public Accounts jointly select the CAG

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and get it ratified by the House of Commons. In Australia, he says, the CAG is appointed by the Governor.

General on the recommendation of the Minister, “after the Minister has referred his recommendation to the Joint Committee of Public Accounts and Audit and the Committee has approved the same”. Dr. Mathur says that in the U.S, the Comptroller General of the United States and the Assistant Comptroller General of the United States are appointed by the President with the advice and consent of the Senate. “The Congress participates in the selection of the

Comptroller General by providing a list of candidates from which the President may choose and by confirming the appointment”.

Unfortunately, the Prime Minister has already rejected the idea of a collegium choosing the next CAG. Replying to a letter from a member of parliament, who suggested that a collegium be constituted, he said that the system in vogue over the sixty years has stood the test of time and there is no need to review it.

The Prime Minister's claim that the system of appointment of the CAG, which has been in vogue for long years, need not be revised, it needs to be contested. As he is himself aware, the process of appointment of the Central Vigilance Commissioner has undergone a change in recent years. It is not what it used to be. Following directions from the Supreme Court, the union government has to now appoint a committee comprising the Prime Minister, the Home Minister and the Leader of the Opposition in the Lok Sabha to choose the CVC. Mr. Singh and his colleagues adhered to this direction of the Supreme Court and constituted such a committee to appoint the CVC in 2011, but the Prime Minister failed to grasp the spirit of the court's direction. As a result, he and the Home Minister together over-ruled the objections of the Leader of the Opposition, Ms. Sushma Swaraj and took the shocking decision to appoint Mr. P.J. Thomas as the CVC, knowing fully well that he was an accused in the Palmolein Import Scandal in Kerala. Eventually, Mr. Thomas's appointment was struck down by the Supreme Court. While doing so, the court said, "the touchstone for the appointment of the CVC is the institutional

integrity as well as the personal integrity of the candidate", meaning thereby that these were wanting in the government's decision. Can there be a greater indictment of a government decision?

### **"Unfit for Public Office", but fit to be Chief Election Commissioner!**

Prior to this, the Manmohan Singh government appointed Mr. Navin Chawla, a person whose democratic credentials were suspect and who had been declared by the Shah Commission, that probed Emergency excesses, as a person "unfit to hold any public office" as an Election Commissioner. Mr. Chawla later went on to become the Chief Election Commissioner. Mr. Chawla stood accused of gross misuse of office during the dreaded Emergency. This is what the Shah Commission had to say about him:

"It is clear on the evidence that S/Shri P.S.Bhinder, K.S.Bajwa and Navin Chawla exercised enormous powers during the emergency because they had easy access to the then prime minister's house. Having acquired that power, they used it without considering whether the exercise was moral or immoral, legal or

illegal. The commission is of the opinion that though the involvement of these officers may vary slightly in degree, their approach to the problems of the period relating to the citizens was authoritarian and callous. Their only anxiety was to preserve and protect their proximity to the seat of power and towards that end they did everything which they thought would lead to their own advancement. They grossly misused their position and abused their powers in cynical disregard of the welfare of citizens and in the process rendered themselves unfit to hold any public office which demands an attitude of fair play and consideration for others. In their relish for power they completely subverted the normal channels of command and administrative procedure”.

In its concluding remarks on the conduct of Mr. Chawla and other officers during the emergency, the commission had this to say: “Effective dissent was smothered, followed by a general erosion of democratic values. Highhanded and arbitrary actions were carried out with impunity..... Tyrants

In its concluding remarks on the conduct of Mr. Chawla and other officers during the emergency, the commission had this to say: “Effective dissent was smothered, followed by a general erosion of democratic values.

sprouted at all levels overnight – tyrants whose claim to authority was largely based on their proximity to power.....”

Given this indictment, it was obvious that this decision of the government, which constituted a monstrous folly, betrayed non-application of mind and rank partisanship. This conclusion was further reinforced by Mr. Chawla’s conduct as Election Commissioner. In an unprecedented move, the then Chief Election Commissioner (CEC) Mr. Gopalaswami wrote to the President in January, 2009, accusing Mr. Chawla of “partisan behaviour” and “lack of political neutrality” and recommending his removal from office.

Referring to many instances cited by him in his detailed report to the President, Mr. Gopalaswami said taken individually, these instances appear to indicate Mr. Chawla's political partisanship. “Collectively, they point to a continuity of consistent thought and action in furthering the interest of one party with which he appeared to be in constant touch

raising serious doubts about his political detachment". The CEC further said "it was not only that he appeared to be lacking in political neutrality but more pernicious were his attempts to influence Election Commissioner Dr Quraishi, not by dint of valid arguments, but by spreading stories that Dr Quraishi was supporting the opposite views."

No other Election Commissioner in India has the distinction of being indicted in this manner by the CEC. Yet, despite the gravity of the charges the CEC had leveled against Mr. Chawla, the Manmohan Singh government rejected the CEC's report and went on to appoint Mr. Chawla as Chief Election Commissioner.

These actions of the government betrayed its complete contempt for constitutional and democratic principles. The danger is that this could become a precedent that could do considerable harm to the democratic process in the future.

The question before us therefore is: Can a government which appointed Navin Chawla as Election Commissioner and P.J. Thomas as CVC be trusted with the appointment of the CAG. The constitution makers did not

suggest a collegium approach 63 years ago to choose the CAG because they lived and drafted the Constitution in more honourable times when Jawaharlal Nehru, B.R. Ambedkar and Sardar Vallabhai Patel, to name a few, were at the helm. That was also the time when we had civil servants like Mr. V.P. Menon who supervised the integration of 563 states under Sardar Patel's directions. Today's government is peopled by Mr. Manmohan Singh and Mr. Chidambaram, who brazenly used their 2-1 majority in a committee to outvote the Leader of the Opposition and appoint a person who was an accused in a corruption case as the Central Vigilance Commissioner of the country. Frankly speaking, though Nehru, Patel and Ambedkar were brilliant men, even they could never have realized that India would have a Prime Minister and Home Minister who would, probably at the behest of their political master, take a decision that was so blatantly perverse.

Therefore, these appointments of Thomas, Chawla et al by the UPA knock the bottom out of the argument that the system has stood the test of time.

The old system no longer serves us well. We need a new system that

is at least bi-partisan if not non-partisan. Also, in the light of Mr. Manmohan Singh's and Mr. Chidambaram's track record, it is not in the larger interests of India's constitutional well-being to let the Prime Minister and his senior colleagues be the sole decision makers when it comes to choosing a constitutional authority like the CAG. We must have a collegium in place to choose Mr. Rai's successor. A "pliable" or "committed" CAG cannot fulfill the Constitution's mandate. Also we must bear in mind that both "institutional integrity as well as the personal integrity of the candidate" matter the most in such appointments, as the three-judge Supreme Court Bench headed by Chief Justice Kapadia said in the P.J. Thomas case.

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# The Justice System

- *Dr M N Buch*

The justice system in India is passing through an extremely difficult period, for which there are a number of reasons. Let us start with the basics, that is, the separation of powers. In this a very special position is given to the Judiciary which makes it totally independent of the Executive. This is most praiseworthy, but it would be futile to deny that the system is under stress. As the Executive fails to perform its functions of governing, as people develop a feeling that they cannot expect fairness, impartiality and efficiency from the Executive, recourse to the courts has increased substantially and in matters in which the Executive should have taken a decision the Judiciary is being forced to intervene so that people receive their due, especially in terms of delivery of services. Because it is impossible to maintain an absolutely fine-tuned balance when one constituent of the State is forced to order another, equal constituent to act in a particular

way or desist from acting in another way, there are bound to be complaints that the Judiciary is intervening in executive matters. Looked at from the citizens' point of view this is just fine because he is interested in his legitimate work being done. That, however, is not how the Executive views it. There have also been instances of clashes between the Judiciary and the Legislature, but fortunately the stand-off has never reached the point of irreversible crisis. However, the Executive must begin to govern and its lowliest functionary must begin to do his duty as mandated by law, rules or executive order. If that happens people will find it unnecessary go to the Judiciary for remedy and courts can then go back to their main function of deciding issues between adversaries.

One of the areas of conflict is in the appointment of judges of the Supreme Court and the High Courts. Article 124 of the Constitution states how a judge of the Supreme Court may be

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appointed. Article 217 provides for the appointment of High Court judges. The operative part of Article 124 (2) reads, "Every judge of the Supreme Court shall be appointed by the President by warrant under his hand and seal after consultation with such of the judges of the Supreme Court and of the High Courts in States as the President may deem necessary for the purpose and shall hold office until he attains the age of sixty-five : Provided that in the case of appointment of a judge other than the Chief Justice, the Chief Justice of India shall always be consulted". Under Article 217 for the appointment of a judge of a High Court the President is the appointing authority and he is required to decide on such appointment in consultation with the Chief Justice of India, Governor of the State and, in the case of appointment of a judge other than the Chief Justice, the Chief Justice of the High Court concerned". The Supreme Court has ruled that consultation with the Chief Justice of India establishes the primacy of the Chief Justice in determining who shall or shall not be appointed a judge of the Supreme Court or a High Court. The Supreme Court has further ordered that it is a collegium of judges, to be selected

by the Chief Justice which will help the Chief Justice to determine what advice should be rendered to the President regarding the appointment of a judge.

I have serious objection to the concept of a collegium of judges which limits the power of the President to consult such judges of the Supreme Court and the High Courts as he deems necessary, which is what Article 124 (2) states. I do not think that the Supreme Court can thus limit the authority of the President regarding consultation which vests in him through the Constitution, though the Chief Justice of India would be free to set up a collegium to advise him on the recommendations to be made on consultation. The question still remains about how a conflict will be resolved where the collegium advises the Chief Justice in a particular way and the judges whom the President consults give some other advice. The third player would be the Council of Ministers, whom the President is bound to consult before taking a decision because under the Constitution he is bound by the advice of the Council. This would apply to the Governor of a State also who, when consulted by the



President about appointment of a High Court judge, would naturally have to abide by the advice given to him by his Council. In other words, the present provisions of the Constitution and their interpretation by the Supreme Court do leave open the gates of disagreement and even conflict because whereas the President may not appoint a judge whom the Chief Justice of India and the collegium have found unfit, he need not appoint a person

recommended by the Chief Justice. In fact many vacancies in the High Courts and the Supreme Court have not been filled on account of such conflict.

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Government has been trying to set up a National Judicial Commission, to be headed by the Chief Justice of India and with adequate representation of the Supreme Court and High Courts. The Commission, as envisaged, would have the Law Minister, the Leader of the Opposition of one of the two Houses of Parliament and an eminent jurist nominated by the President as members. Justice J.S. Verma, Justice V.N. Khare,

Justice V.R. Krishna Iyer and Justice M.N. Venkatachalliah are all opposed to the collegium system. Perhaps the issue could be resolved if the proposed National Judicial Commission could have a majority of judicial members, with the Chief Justice having a veto power and if the eminent jurist is nominated by the Chief Justice of India rather than the President. Suitable constitutional and legal arrangement could be made for

the advice of the National Judicial Commission being final, with neither the President nor the Prime Minister being authorised to overrule it. Without bringing the Executive into the process for the appointment of

judges of the Supreme Court and High Courts, such an arrangement would widen the scope of the required consultation with the Chief Justice and by bringing the government, the opposition and the Bar on board through an eminent jurist, the system of appointment of judges could be made more broad based and more credible.

An independent judiciary is a sine qua non of a true democracy. However, the only system of governance in which authority does not go hand in hand with accountability is a dictatorship of the type established by Hitler or Stalin. This means that the more independent the judiciary the more should it be accountable. Accountability which does not lead to penalty for failure to discharge accountability satisfactorily is no accountability. Under Article 227 courts and tribunals located within the jurisdiction of a High Court work under the superintendence of the High Court and in exercise of the power of superintendence the High Court can call the court or tribunal to account. Under Chapter 6 of Part VI of the Constitution the District and Sessions Courts and the Courts of Magistrates and Civil Judges are termed as subordinate courts and under Article 235 control over subordinate courts vests fully in the High Courts. The Constitution, therefore, provides for High Courts to decide how subordinate courts will function, to prescribe measures to ensure accountability and to punish for failure to render account, in terms of finance, efficiency, judicial competence, etc. But what about the High Courts and the Supreme

Court? Their judicial pronouncements are open to appeal, revision and review, but administrative and personal conduct are not subject to the superintendence, supervision or control of any judicial authority. If a judge does little or no work, is not regular in attendance, delays judicial pronouncements, does not promote efficient judicial process in his own court or in subordinate courts the maximum that can happen is that under Article 222, on the advice of the Chief Justice of India, the President may transfer a judge from one High Court to another. If there is serious misconduct the procedure laid down in Article 124 (4), it would be applicable. For High Court judges Article 218 would apply, which means that a Supreme Court or High Court judge can only be removed through impeachment proceedings. There is no other penalty prescribed, but as the Justice Ramaswamy case has proved, if equations in Parliament are such that the necessary majority cannot be mustered, a judge found guilty of misconduct by a tribunal constituted under Article 124 (4 and (5) the judge may still escape removal. Carried one step further, if a judge is found guilty in a criminal trial, convicted and given

a jail sentence, the impeachment proceedings can still fail and the convict would continue to be a judge of a High Court or the Supreme Court. This may happen in the case of a lady judge of the Punjab and Haryana High Court who has been accused of taking a bribe. Government, Parliament and the Supreme Court must realise that what could never be dreamt of when the Constitution was drafted, that is, a judge of a High Court or Supreme Court committing a criminal misdemeanor, can no longer be ignored and, therefore, we must have a constitutional provision whereby in such cases, while taking great care to ensure that the independence of the judiciary is not thereby compromised, such a judge can be made to demit office.

The major problem with our subordinate courts from District and Sessions Courts down to a Magistrate First Class cum Civil Judge Class Two is that cases drag on for years. Formerly civil

litigations were considered to be very lengthy and time consuming, but now unfortunately even the criminal justice system has become subject to inordinate delay. I have perhaps quoted this case elsewhere, but it bears repetition. In March 1983 shortly before I left the Service we

My evidence was proforma, but necessary because the bribe was being offered for expeditious processing of a case in which the accused person's application to me had been forwarded by me to the Deputy Secretary for examination. It took eleven years for my evidence to be recorded because every time I went for a hearing the accused, by absence, by subterfuge, by downright lies was able to obtain adjournments.

trapped a lady who was trying to bribe a Deputy Secretary. He had already reported that such an attempt was being made and we arranged a trap, catching the lady red handed. My evidence was proforma, but necessary because the bribe was being offered for expeditious processing of a case in which the accused person's application to me had been forwarded by me to the Deputy Secretary for examination. It took eleven years for my evidence to be recorded because every time I went for a hearing the accused, by absence, by subterfuge, by downright lies was able to obtain adjournments. The case was finally decided fifteen years after the event. What is the deterrent effect of such

proceedings? How can witnesses be expected to remember an event which happened several years earlier and give testimony which could withstand cross examination, the purpose of which is to discredit the witness? This was a simple case with only three or four witnesses, but imagine what happens in a serious case in which a heinous offence has been committed and there are a large number of witnesses. No wonder we have such a miserable record of convictions.

I have been trying to understand why cases are delayed. I am not even attempting to look at civil cases because that will require several volumes. In a criminal trial the first delay occurs at the stage of investigation. The available clues may be either so few as to be almost nonexistent, witnesses may not be available, the forensic tests may be inconclusive, the investigating officer may be overburdened and can give only limited time to a particular offence, the accused and the witnesses or even the complainant may come to some compromise or there could be sheer inefficiency. This is where superior police officers have a major role to play to ensure that investigation is consistent,

sustained and done with intelligence. Forensic and other support must be made available freely to the investigating team. The legal niceties of investigation must also be taken care of. The submission of the challan must be accompanied by full documentation so that the charge-sheet is complete in itself. This has to be followed up by proper representation of the prosecution in court, with the public prosecutor and his assistants applying due diligence to the case. If the public prosecutor is wide awake and proactive many of the delays in court can be avoided.

One reason for delay is in the serving of process. The court moharrir, who would generally be from the police, or the reader of the magistrate or judge, would be responsible for issue of process which, in criminal cases, would generally be served by the police. The arrangement is not satisfactory and most courts report that service of process is tardy and very often summons and warrants are just not served in collusion with the accused or the witnesses. Surely, with modern means of communications, with speed post, courier service, SMS texting and the internet the High Courts can work out a system whereby service

of process becomes efficient and cannot be used as an excuse for delay in court proceedings. Our courts cannot function in the eighteenth century when the twenty-first century gives such exciting and innovative means of communication, or are they waiting for that happy day when science evolves a means of apparatus-less communication of thought process whereby what the judge thinks is communicated to the witness or accused by a para-psychic process? Coming to the trial proper, defence counsels are prone to pleading for adjournments, especially in those cases where the defence case is weak.

Adjournments must be avoided because whereas an adjournment which is unavoidable is given, in most cases adjournment is denied. It is for learned counsel to adjust their cause list in such a way that appearance in one court cannot be offered as an excuse for nonappearance in another court. There is no reason for a judge to give an adjournment only for the sake of convenience of counsel. Every defence counsel is an officer

of the court and it is his duty to assist the court in speedy disposal of a case. A counsel who acts otherwise fails in his duty and should be treated as such.

I have talked to a number of judges and magistrates about why they are not strict in the matter of adjournment. Under Article 21 of the Constitution every person, including one accused of a heinous offence, is still entitled to be tried by due process before being

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deprived of his life or personal liberty. Under Article 22 a person who is arrested and detained in custody has the right to be informed of the grounds for arrest, he has the right to consult and be

defended by a legal practitioner and he cannot be detained in police custody beyond twenty-four hours of arrest without the orders of a magistrate. Under Article 39 (A) every citizen is entitled to equal justice. This is enforceable by the provisions of Articles 139 and 226 which confer writ jurisdiction on the Supreme Court and the High Courts. The Code of Criminal Procedure prescribes the process of trial in criminal cases.

Chapters XVI and XIX of Cr.P.C. state how proceedings shall be conducted before a Magistrate and Chapter XVIII does the same for trial before a court of session. Under sections 231 and 233 Cr.P.C. an accused person has the right to cross examine the prosecution witnesses and to enter upon his own defence and adduce evidence in this behalf. Suppose an accused person deliberately delays the taking of evidence for the prosecution and indefinitely defers his own defence. Should the court indulge him and go on giving adjournments indefinitely, as happened in the bribery case to which I have earlier referred? Under Indian law a person is deemed to be innocent till proved guilty but there is no provision of law which says that an accused and his counsel can go on creating obstruction so that the trial is indefinitely delayed. In other words, an opportunity, a manifestly fair opportunity, must be given to the accused on trial to present his case, but when the accused tries to indefinitely delay the matter the court need not succumb. Under section 309 Cr.P.C. the provision is, "In every enquiry or trial the proceedings shall be held as expeditiously as possible and, in particular, when the examination of witnesses has

once begun, the same shall be continued from day-to-day until all the witnesses in attendance have been examined, unless the court finds the adjournment of the same beyond the following day to be necessary for reasons to be recorded". The proviso to this section states that any trial relating to an offence under section 376 and 376(D) of IPC (sexual offence amounting to rape) must be completed within a period of two months from the date of commencement of the examination of witnesses. The scheme of Cr.P.C. is very clear, the accused is entitled to a fair trial, but he is not thereby entitled to indefinite delay.

I have spoken to some judges about why they so readily give adjournments. Even the most conscientious of them state that if they do not give an adjournment there are many defence lawyers who indulge in making complaints against the judge and, by and large, the High Courts tend to be more sympathetic to defence counsel than to their own judges. Rather than face such complaints many judges take the easy way out and adjourn the case. One of the things which many judges have forgotten is that bail is also a form of custody in which instead of

physically holding the accused the court permits enlargement on bail, whereby surety of appearance is substituted for physical custody. If the accused person deliberately delays proceedings by non appearance or such other tactics it would be legitimate for the court to hold the person in physical custody and to proceed with the case on a day-to-day basis. The Supreme Court and the High Courts must try and move the courts in this direction. Greater adoption of evidence through video conferencing and other means of electronic recording of evidence would also help in expediting cases.

There are some recent developments which are causing me worry. The first is that recent rape cases have certainly shaken the nation, with the Chief Justice of India going as far as to say that he would have personally liked to participate in the public protest. Perhaps he was ill advised to make this statement because in a way he thus pre judges even the specific case under mention, which means that no trial court in India would hereafter readily acquit a

There are some recent developments which are causing me worry. The first is that recent rape cases have certainly shaken the nation, with the Chief Justice of India going as far as to say that he would have personally liked to participate in the public protest.

person in such matters unless no case at all is made out and this could lead to mistrial of rape cases and denial of justice to the accused persons. We have seen a whole spate of very speedy trials, some lasting only for ten days, in which the accused has been sentenced to death. Murder, whether or not accompanied by rape, is the ultimate crime because it irreversibly deprives a person of his life. The accused also faces possible judicial termination of his life at the end of the trial and, therefore, courts have to be extra careful to ensure that the accused has full and fair opportunity to represent his or her case and that there is no miscarriage of justice through haste. The Supreme Court and the High Courts for years have ruled that there should be extreme caution in awarding the death penalty and that, too, only in the rarest of rare cases. In sharp contrast in at least half a dozen cases in the last two or three months rapists have been awarded the death penalty after trials which smack of the summary. The judiciary cannot swing between two extremes

because our politicians, civil servants and the so-called civil society are already doing this. Certainly the judiciary should enforce the law with great strictness and there should be no misplaced and pseudo philanthropic attitude towards crime and criminals. At the time same justice has to be done because two principles of Anglo Saxon Jurisprudence that we follow are :- (1) An accused is presumed to be innocent till proved guilty, with the burden of proof of guilt resting on the prosecution. (2) It is better that a

hundred guilty people go free rather than that one innocent person be punished. It is for the judiciary to ensure that the balance is maintained, the innocent are protected and at the same time the guilty are brought to justice in the shortest possible time.

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# From Look East To Engage East: How India's Own Pivot Will Change Discourse In Indo-Pacific Region

- **Nitin Gokhale**

**M**uch before President Barack Obama rediscovered Asia's importance to the world and announced an American "rebalance" towards Asia-Pacific region in January 2012, New Delhi had quietly upgraded its two decade old "Look East" Policy to "Engage East," demonstrating a new resolve to play a pivotal role in its extended neighbourhood.

As India has pivoted towards the East, the term "Indo-Pacific" has suddenly gained currency acknowledging India's growing stature in Asia. At the moment, New Delhi's surge to the East is dictated primarily by economic and trade ties with ASEAN nations.

Its role in the East Asia Forum has also become important for the strategic balance in Asia.

In the three years since a Free Trade Agreement (FTA) on goods

was signed between India and ASEAN, trade has risen by 30 per cent. Apart from India's growing engagement with ASEAN, its economic relations with China, Japan and, more lately, Australia have also grown much faster than before.

Inevitably, there is also a security dimension to the 'Engage East' policy. India's tri-services Andaman Nicobar Command, located closer to Indonesia than the country's mainland, is fast emerging as a springboard for the country's growing strategic and security forays into Malacca Straits and beyond.

A rapidly modernising Indian Navy is a factor for stability in the region. The US has been seeking to rope in New Delhi for cooperative security arrangement in Asia, a prospect that is not relished by China. Beijing is especially wary of New Delhi's bilateral military cooperation with

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Vietnam, Philippines, South Korea, Indonesia, Malaysia and Japan.

The Indo-Pacific has thus become a key driver of global politics. Stretching from the Indian subcontinent to the western shores of the Americas, the region spans two oceans -- the Pacific and the Indian -- that are increasingly linked by shipping and strategy. India's outreach through bilateral and multi-lateral organisations like the BIMSTEC (Bangladesh, India, Myanmar, Sri Lanka, and Thailand Economic Cooperation) and the little-known Indian Ocean Rim Association for Regional Co-operation is set to alter the geo-strategic landscape in not too distant future.

'Engage East' is thus not a uni-dimensional idea. It has many strands, some seemingly disparate, but they represent New Delhi's desire to play a more constructive and dare one add, a more decisive role in Asia. I want to concentrate on this relatively less focused aspect of India's strategic thought and explore the

roadmap that is bound to evolve in the coming decade.

One of the key factors in India's Look-East-Engage East policy is of course Myanmar. Last year, Prime Minister Manmohan Singh went to Myanmar and said India and Myanmar were "natural partners."

He suggested tapping the huge unrealised potential of the economic relationship between the two countries for mutual benefit. During that two-day trip, India and Myanmar signed a number of agreements and put in place a road map for the rapid development of relations in the years ahead.

The Indo-Pacific has thus become a key driver of global politics. Stretching from the Indian subcontinent to the western shores of the Americas, the region spans two oceans -- the Pacific and the Indian -- that are increasingly linked by shipping and strategy.

As diplomatic visits go, it was a great success. But it takes more than usual platitudes to translate a triumphant state visit into a long lasting relationship, coming as this one does after a relatively low profile engagement over the past decade.

As the Prime Minister pointed out: " Myanmar, with its unique" geographic location, can be a bridge linking South and South east Asia to east Asia and there is

much untapped potential in our economic relationship."

After all, India has a major partnership with her neighbouring ASEAN countries in trade and investment.

Myanmar, now a member of ASEAN has become a major link between India and ASEAN countries. And North East, particularly Manipur, ought to become the center of thriving and integrated economic space linking two dynamic regions with a network of highways, railways, pipeline, and transmission lines crisscrossing the region.

Development of the northeast is thus integral to India's policy on Myanmar. The North East is a corridor and a transit route to Southeast Asia. Infrastructure building tops the priority-list. A big project already under way is designed to turn the Kaladan River into a shipping route, linking Mizoram to Myanmar's port of Sittwe, which India is helping develop. India has also agreed to upgrade an extensive network of roads and bridges in Myanmar that would effectively connect the Northeast (and the rest of India) to Thailand as soon as 2016. Both sides are also

exploring the possibility of setting up train routes through the country. Facilitating border transit would make the Northeast a gateway to Myanmar --a potential boon for trade as well as tourism.

India's north eastern states and Myanmar should be the main target markets of many products manufactured in the SEZs to once again make India's north eastern states and northern Myanmar a natural economic zone, which they historically were, providing a sustainable economic life line to the north-eastern states. But this would require enormous fast-paced infrastructure development on the Indian side of the border with Myanmar which is primitive and is hardly geared to handle the traffic that would be generated due to the Kaladan project.

Manipur shares a 398-km border with Myanmar. But more importantly the border town of Moreh has been a traditional trading hub with Myanmar and therefore has vast potential to become a major export centre from India for the South East Asian region. Here's why: According to available statistics, bilateral trade between India and Myanmar more than doubled between 2005 and

2010, expanding from US\$557 million to \$1.2 billion, most of it through Moreh. Disappointingly though, it pales in comparison to the bilateral trade between China and Myanmar which in 2010 amounted to an estimated \$3 billion.

In this context, the Trilateral Highway that aims at connecting India's North-east with Thailand via Myanmar becomes important. It could mitigate the disadvantages of landlocked North-east India. It is a component of the Asian Highway, which is scheduled for completion by 2016. Proposed and implemented by the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP), the Asian Highway Project includes the Asian Highway 1 and 2 that would pass through the North-east, connecting India with its eastern neighbours. Thus, with the coming of the Asian Highway, Myanmar will become the point of convergence as well as the linking route between India and the other South-east Asian countries. That, in turn, will lead to the creation of more secure and safe living spaces

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for the populace residing on either side of the border.

But there are apprehensions too. Local people in the Northeast fear that with the opening of the Asian Highway and in the absence of inadequate enforceable regulation on immigration, illegal migration into the region may increase manifold.

It is the failure of actualizing intent that rankles in Manipur. That, combined with multiple frustrations emanating from prolonged bouts of economic blockades, a state administration in terminal atrophy and the continued and unchallenged writ of underground armed groups, has left the people despondent. It is this hopelessness that the Centre and State government must work hard to overcome. For that, a solution to long-standing ethnic insurgencies has to be found in double-quick time.

Now is the time to press for peace and security in Manipur since politics in Myanmar are undergoing a dramatic change. With the junta taking tentative

steps towards genuine democracy and showing signs of warming towards India, New Delhi must seize this moment to re-establish lasting trade and cultural ties with its eastern neighbour. But before India can play a larger role in Myanmar, it needs to fix Manipur's broken socio-political landscape.

Manipur and to a lesser extent Nagaland must take advantage of

the liberalisation that is taking place in Myanmar. But that potential can be fully realised only if New Delhi starts looking at Manipur as an important starting point in India's 'Look East' policy instead as a dead end of the country's road network

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# Pakistan's Lame Lawmakers' Resolution On Kashmir: A Challenge For India

- *Sushant Sareen*

The highly provocative, extremely offensive, and utterly reprehensible resolution passed by the National Assembly of Pakistan condemning Indian 'state sponsored brutalities' and demanding the handing over the body of executed terrorist Afzal Guru to his family, allowing people to freely practice their religion (this coming from a state where an open season has been declared on Shias, Hindu girls are abducted and forcibly converted and Christians are subjected to the worst sort of Islamofascism), pulling out of security forces from Kashmir and repealing all 'black laws' in the Indian state, release of all 'political prisoners', implementation of the UN Security Council resolutions, and promising political, moral and diplomatic support to the Kashmiris, has predictably enough raised the hackles in India.

While on the one hand the resolution has given an indication of the direction in which things

are likely to move as far as Pakistan's export of terrorism in Kashmir is concerned, on the other hand it has exposed all the manufactured bonhomie and double-talk being indulged by the Pakistani politicians who tried to beguile Indian policy makers into believing that there was a political consensus in Pakistan in favour of normalisation of relations with India. Since around 1997, India has been sold the nonsense that neither Kashmir nor India is any longer an issue in Pakistani elections. The real reason why India and Kashmir didn't figure as an election issue was that there was a broad based political consensus in Pakistan in favour of exporting jihad and delivering 'death by a thousand cuts' to India. Since no one opposed this policy there was no gain to be made by raking this issue at the hustings.

Over the last few years, however, an impression had gained ground that the political consensus inside

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Pakistan in favour of export of jihad was breaking down. Not surprisingly, some political players smelled an opportunity to agitate this issue to increase their vote bank. But the moment one player tries to exploit this issue, all others start falling over each other to swear their commitment to snatching Kashmir from India. The unanimous passage of this resolution bears out that no one in Pakistan is willing to question, much less stand up against, the Jihadist policy of the State. What this does to the policy of appeasement towards Pakistan being followed by the Manmohan Singh government and to the expressed desire of the Indian Prime Minister who had declared that he would think he had done his job well if he managed to normalise relations with Pakistan can well be imagined.

Apologists for Pakistan in India will of course argue that too much should not be read into this resolution which has been made for purely political reasons by legislators who are about to go in for fresh elections. After all,

Not surprisingly, some political players smelled an opportunity to agitate this issue to increase their vote bank. But the moment one player tries to exploit this issue, all others start falling over each other to swear their commitment to snatching Kashmir from India.

notwithstanding all the hyperbole of this National Assembly having made the 'historic achievement' of completing it term, the fact remains that in many ways it was an effete and powerless collection of people whose resolutions were not worth the paper they were written on because these resolutions were observed more in their violation. What is more, these 'elected representatives' of the people of Pakistan are perhaps the meekest and weakest part of the Pakistani state and are treated with contempt by the overbearing judiciary, meddling military and self-righteous media. And yet, this is a resolution that cannot and should not be ignored, both because it reflects the unremitting hostility towards India of the political class in Pakistan, as well as for what this resolution portends in terms of another upsurge in export of jihadi terrorism to India.

To the extent that this resolution is a mea culpa on part of the Pakistani state for its involvement in the dastardly attack on the Indian Parliament, it needs to be welcomed. Pakistan, it seems, has

finally officially taken ownership of Afzal Guru and his terrorist action and accepted that he was a Pakistani agent working at the behest of his Pakistani masters to attack the Indian Parliament. The resolution is a tacit acknowledgement of Guru's links with the Jaish-e-Mohammed, one of the terrorist outfits involved in the Parliament attack. The mover of the resolution, Maulana Fazlur Rehman (better known as Maulana Diesel for his involvement in Diesel smuggling) is a Deobandi cleric who shares fraternal links with Deobandi terror groups like the JeM, Harkatul Mujahideen, Sipah-e-Sahaba, not to mention the Tehrik-e-Taliban Pakistan (TTP). Rehman also happens to be the Chairman of the Kashmir Committee of the Pakistani Parliament, which is basically an organisation for providing foreign junkets to Pakistani politicians at the expense of the bankrupt government of Pakistan.

The Maulana, who also happens to be leading an effort to effect a rapprochement between the Pakistani authorities and the TTP, probably intends to use this resolution not only to cement his credentials as a dyed-in-the-wool jihadist who stands firm on the so-

called 'Kashmir cause', but also to appease terror groups like TTP which have been threatening retaliation against India for the hanging of Ajmal Kasab and Afzal Guru. The same Maulana had in 2001-02 issued a fatwa calling for the murder of Americans and the notoriety as well as popularity he gained catapulted him to the position of Leader of Opposition (he was actually more of a lap dog of the Pakistani military dictator Pervez Musharraf) in the National Assembly that came into existence after the 2002 elections. The Maulana's party, Jamiat Ulema Islam (JUI-F) also formed governments in the province of Khyber Pakhtunkhwa and Balochistan, which were used to promote Talibanisation in both these provinces.

Perhaps, a similar game is once again being played by Maulana Fazlur Rehman, only this time it isn't the US but India which is being targeted. In the process, the Maulana, who has been a frequent visitor to India where he has tried to convince his Indian interlocutors of his bonafides and his intense and sincere desire to play a role in improving Indo-Pak relations, has more or less burnt his bridges with India. He is unlikely to be welcome anymore in



this country. He has only proved his detractors, who pointed to the undesirable company he kept and his links with extremist and terrorist groups, right. For the sake of playing to the gallery back home in the hope of winning some brownie points and perhaps a few extra votes, he has effectively become a persona non grata in India.

But if people like Fazlur Rehman are becoming an anathema for India, their acceptability is growing among the Americans. If anything, the Americans seem to have given a free hand to Pakistani Islamists as part of their plan to exit from the region. Just recently, the US Ambassador to Islamabad held a meeting with Maulana Fazlur Rehman. Subsequently, the US envoy told the Pakistani media that the situation in Terror Central (North Waziristan) was something that Pakistan had to sort out domestically, thereby indicating that the US was willing to turn a blind eye to a terrorist safe haven in return for Maulana Fazlur Rehman using his influence and contacts to push forward with the

‘reconciliation process’ in Afghanistan. Worse, with two utterly clueless apologists for Pakistan now at the helm of affairs at the State Department and Pentagon, the US policy on Islamist terrorism is likely to undergo a major transformation with appeasement of Pakistan and turning a blind eye to its use of terrorism as an instrument of state policy becoming the order of the day as a quid pro quo for safe passage out of Afghanistan for Western troops. The result is an emboldening of Pakistan, and its natural corollary is the political and military adventurism that is being seen on Kashmir and the recent acts of terrorism in other parts of India.

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India cannot afford to let this challenge go unanswered. Not only does India need to disabuse the Pakistanis and the Americans of the notion that they can trifle with India for their own ends, but more importantly, the political class in India, especially the Manmohanistas need to disabuse themselves of the notion that Pakistan is genuinely interested in normalisation of relations with

India. Instead of formulating policy on the basis of the sweet-talk coming from Pakistani politicians who neither control any wing of the ISI nor command a single division of the Pakistan army (comprising of jihadis, some in uniform, others in mufti), India would be better served by seeing action on the ground by the Pakistanis to prove their bonafides. The unanimous resolution passed by the Lok Sabha is the first right step in this direction. This needs to be followed up by setting metrics on the basis of which Pakistan's intentions will be judged. Equally important, India needs to stop giving the unnecessary and unwarranted importance to the

mythical Pakistani civil society which is nothing more than a powerless, if also vocal, fringe group comprising around 500 (and if you want to be very charitable, 5000) people. Most of all, India needs to stop depending on the US for pulling its chestnuts out of the fire. The US will do what is in its interest and if this means sacrificing India's interests, then so be it. India, therefore, needs to prepare itself for the coming wave of terrorism and develop capabilities to counter this scourge as well as pay back the adversary in more than equal measure.

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# RBI Cannot Undo Executive Damage With Rate Cuts

- *V Anantha Nageswaran*

The Governor of the Reserve Bank of India (RBI) recently memorial lecture at the London School of Economics. He appeared to defend the January rate cut decision in the face of the rising current account deficit in India. The interesting question was whether he was defending the January rate cut or if he was setting the stage for a more aggressive rate cut on March 19. In January, after he cut rates, RBI communication hinted at limited scope for future rate cuts in the face of the rising current account deficit. The central bank stated explicitly that “policy guidance will, however, be conditioned by the evolving growth-inflation dynamic and the management of risks from the twin deficits.”

Since then, we have received disappointing economic growth numbers. The inflation rate is below 4% at the wholesale level but only if one stripped out all the components that were rising. The

rise in cost of living for consumers is 11%, as per official statistics. Core consumer prices – overall consumer prices minus food and energy items – are rising at an annual rate of 8.6%. The current account deficit remains high and could even be higher in the short-term. The government delivered the fiscal budget for 2013-14 on February 28. The budget lacked seriousness. It is one thing to raise taxes. Taxes do need to go up as many sundry and one-off exemptions given to corporations and the rich need to be reviewed for their efficacy and removed, if found wanting. However, it is equally important for the government to impose discipline on itself. India needs to do both. The government has attempted neither with any seriousness. Its assumptions are optimistic and hence the budget deficit, for all practical purposes, will remain high. Hence, it was quite a surprise to hear the Governor sound so sanguine on fiscal policy

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“the recent budget has firmly embraced fiscal responsibility by restraining the fiscal deficit next year consistent with the road map recommended by the Kelkar Committee.”).

In the past, we had taken a slightly more constructive attitude of the dilemmas faced by the Reserve Bank of India. It was slow to raise rates in 2010 just as the Government of India was slow to unwind the fiscal stimulus of 2008 and 2009. In fairness, RBI could not be faulted for erring on the side of caution in removing monetary stimulus as the economic recovery faced question marks.

Nonetheless, it could have moved earlier, taking into account the fact that the government was not serious about removing fiscal stimulus. Yet, we applauded its serious monetary tightening in 2011. At the same time, the effectiveness of its monetary policy was diluted by the compulsions it faced as the government’s debt manager. It has accumulated government debt to the tune of 91 billion dollars since 2009. Even as the RBI was expressing concerns

over persistent inflation, it was engaging in its own version of quantitative easing.

Now, after expressing concern over persistent and high current account deficits as recently as in January, the Governor defended his January rate cut and said that it would not exacerbate the external deficit. Even if the rate cut slowed down debt inflows, he hopes that it would bring in more equity inflows because, in his view, lower rates would signal lower inflation and better investment environment. He ventured to call this the ‘Indian exceptionalism.’

Even if the rate cut slowed down debt inflows, he hopes that it would bring in more equity inflows because, in his view, lower rates would signal lower inflation and better investment environment. He ventured to call this the ‘Indian exceptionalism.’

In the light of recent inflation trends in the country, credibility of both the government and the central bank is damaged. Lower rates would signal lower inflation to the financial market and to the public only if the central bank had a credible track-record of managing inflation. For reasons within and beyond its control, RBI does not have a good story to tell on that score. Hence, lower rates might actually signal higher future inflation. On the ground, Indian

exceptionalism has delivered through a rapid and drastic decline in the growth rate economy to 4% from 9% with cost of living rising at over 10% and with the current account deficit at near 5% of GDP. India's present economic mess is precisely because of the belief in Indian exceptionalism. There is none. It would be a pity if RBI too had bought into it.

Hence, as the central bank met on March 19 to review monetary policy, one feared that the governor had set the stage for an aggressive rate cut with his speech in London. Last year, he had cut the interest rate by 50 basis points in April, after the budget. That rate cut did not help India's investment and economic growth to revive. In contrast, it made the Indian rupee more vulnerable to market sentiment as the interest rate support for the currency weakened. One feared an encore. Therefore, one was relieved that RBI dropped the repo rate and the reverse repo rate only by 25 basis points each to 7.5% and 6.5% respectively. It clearly stated that the room for further rate cuts was quite limited.

This rate cut would do very little, if at all, to revive capital formation

in India. Capital formation in India's private sector did not decline because of rate hikes because, in real terms, rates did not go up so much as to deter investment. In a healthily growing economy, there would have been adequate returns to cover the cost of funds. Investments in India slowed because the environment for investing in and running a business turned hostile. Whimsical and arbitrary regulatory changes played a big role. Recently, a CBI Special Court judge had named heads of leading Telecom companies as accused even though the government had not filed any charge-sheet against them in the allocation of second-generation spectrum (2G) a decade ago. This is an example of judicial overreach. As a result of such arbitrary functioning, Rs 16,500 crores (165 billion rupees or more than 3 billion US dollars) have been wiped off the market capitalisation of Bharti Airtel, to name just one company, in the last six years.

It is wrong to accuse the present government of policy paralysis. On the contrary, it has been actively harming the economy and businesses. It has made the poor slaves to handouts. It has

destroyed prudent savings and loan repayment behaviour through loan waivers. It has raised the cost of doing business through its tax raids, arbitrary re-opening of past assessments, through raising the cost of land acquisition and by contributing to wage escalation through its unproductive national rural employment guarantee programme. It has sought to cover its corruption by vindictive attitudes towards the political and non-political opposition. That has turned judges into prosecutors. Consequently, India's potential growth rate today is no more than

6%. More than three decades of progress has been wiped out in the last eight years. In this environment, rate cuts hardly matter. RBI would have been better off preserving its rate firepower to defend the rupee. It might well be needed in the months ahead.

It has sought to cover its corruption by vindictive attitudes towards the political and non-political opposition. That has turned judges into prosecutors.

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# Turning India Into An Aerospace Powerhouse To End Defence Import Scams

- *Radhakrishna Rao*

**F**requent eruptions of scams and scandals surrounding India's high profile defence acquisition programme, besides delivering a severe blow to the defence preparedness of the country, has brought into sharp focus the abysmal failure of the country, boasting one of the largest pools of scientific and technical manpower in the world, to develop a strong and versatile indigenous base for defence and aerospace production. Against this backdrop, the exposure of the massive kickback involved in the Rs.36,000-million deal for the acquisition of 12 VVIP helicopters from Agusta Westland, a wholly owned subsidiary of the Italian firm Finmeccanica, in which the Italian Government holds a 30% stake, has sent shock waves through the defence setup and political establishment of the country. Indeed, while replying to the searching queries of the agitated members in the upper house of the Indian Parliament (Lok Sabha) Indian Defence

Minister A.K. Antony was at pains to explain that India is forced to import defence hardware to meet the immediate operational requirements of the Indian defence forces and that the defence self reliance would be stepped with greater vigour to end Indian dependence on imported hardware and equipment.

Of course, Indian Defence Minister A.K. Antony, known for his clean image and impeccable personal integrity, has asserted that no mercy will be shown to the "guilty and wrong doers". Rightly and appropriately, Antony gave a philosophical edge to this unsavoury episode by his observation that "there was no end to human greed and still greedy people were working around the world". But then the moral of the story that had gone sour is that India's continued dependence on overseas vendors for meeting much of its defence requirements is at the root of "impropriety and corruption" associated with the defence procurement programme.

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Indeed, as one defence analyst has put it, boosting domestic defence and aerospace production base holds the key to end the lurid saga of kickbacks that have become an integral part of the defence imports. Indeed, Antony has been making use of every platform to urge the state owned Defence Research and Development Organisation (DRDO) to acquire the latest technological expertise to reduce Indian dependence on foreign vendors for defence and aerospace products.

Yet another disclosure by Antony in Lok Sabha has the potential to generate a debate on the need to

Yet another disclosure by Antony in Lok Sabha has the potential to generate a debate on the need to undertake costly upgrades of old aircraft platforms instead of going in for new platforms.

undertake costly upgrades of old aircraft platforms instead of going in for new platforms. The crux of Antony's statement in Indian Parliament was that the cost of upgraded and modernized French origin Mirage-2000 aircraft in service with the Indian Air Force (IAF) could be close to its shelf price if India wished to buy these aircrafts afresh now. As it is the cost of upgrading one Mirage-2000 fighter works out to Rs.1950-million. India had signed a Rs.109,470-million contract with

France for upgrading the Mirage-2000 fleet back in 2011. Incidentally, India had purchased 51 Mirage-2000 fighters way back in 2000 with per piece price of Rs.1,300-million. The whole episode is a tribute to the poor home work done by the Indian Defence Ministry which should be more circumspect while committing public money for defence acquisition and up-gradation programmes, some of which are really questionable. It is high time the Indian Defence

Ministry fine tunes its strategy for "getting the right type of equipment at the right time in the right place." Of course, inordinate delay and cost

escalation continues to remain the scourge of the Indian defence procurement programme right from the word go.

Unfortunately, India has notched up the dubious distinction of being the world's largest importer of defence equipment constituting about 10% of the global arms import between 2007 and 2011. In its 2005 report on defence acquisition, the Vijay Kelkar Committee quoted that a just 25% reduction on foreign dependence



will lessen foreign exchange outgo by around Rs. 85-billion. For long, the Indian defence production sector has been dominated by the state controlled defence public sector undertakings (DPSUs) including HAL and BEL (Bharat Electronics Limited), the Ordnance Factory Board (OFB) and various laboratories forming part of Defence Research and Development Organisation (DRDO) with a very peripheral role for the private sector industry in the exercise of producing hardware and equipment for the Indian defence forces.

Of course, following the opening up of the defence and aerospace sector for private participation, a greater role for India's privately held entities in the defence production sector is being envisaged. For instance, in a major departure from the conventional approach to defence production and acquisition, the Indian Defence Ministry would soon issue a Request for Proposal (RFP) to a number of private Indian enterprises including Reliance, Tata, Larsen and Toubro and Bharat Forge, for the production of 56 aircraft in the six-to eight tonne class. This aircraft, which will replace the vintage Avro planes in service with the

Indian defence forces, will have a cruise speed of 800 kmph and a range of 1500-km to 2700- km. As envisaged now, it will have far superior features in comparison to Avro. However, in the backdrop of the fact that the Indian industry has a very poor track record in the design and development of flying machines, they will be required to join hands with an established global aircraft major that will do the necessary hand holding in producing this aircraft which IAF badly needs as a replacement to Avro. The idea of IAF that Avro replacement project should be handled by the Indian private industry rather than HAL augurs well for giving a boost to the Indian aerospace capability in all its manifestations.

And in what can be considered a shot in the arm for India's defence indigenization programme, an Indian version of the Swedish 155-mm Bofors Howitzer, whose acquisition by India in the 1980s, had created a big political storm in the country, is to be produced by OFB. As it is, during 1999 short lived Kargil skirmish, the Bofors gun had proved its mettle through its lethal fire power. The Indian Defence Ministry has placed an order worth Rs.12, 600-million with OFB for the procurement of

114 of the artillery guns being developed based on the designs obtained under the transfer of technology provision as part of the Bofors contract signed in 1986. This exercise would give India a required level of confidence and expertise to design and develop futuristic, advanced howitzers required by the Indian army.

During his inaugural address at the Aero India-2013 show held in Bangalore in February this year, Antony was quick to point out that the country should harness all options including public-private partnership (PPP), joint ventures, licensed production and technology transfer to attain self reliance in all the conceivable areas of aerospace and defence production.” Zero import is not possible but maximum equipment should be indigenous. “We will have a second look about our defence production as well as procurement policy so that we can speed up indigenization on time,” was the observation of Antony. The defence procurement policy was revised as early as 2011.

Air Marshal S. Sukumar, Deputy Chief of the Air Staff, Indian Air

Force (IAF) while addressing the seminar “Rising with collaborative Opportunities” held as part of Aero India-2013 stated that the need of the hour is to boost the capability levels of IAF through an increased indigenous effort in the defence and aerospace sectors of the country. Giving details, he said many Indian companies have successfully developed critical components and subsystems for many of the end products required by IAF. They include helmet mounted displays and transmit and receive modules. Home grown fourth generation supersonic fighter aircraft Tejas LCA(Light Combat Aircraft) and Indo-Russian supersonic cruise missile BrahMos stand out as classic examples of India’s growing prowess in aerospace and defence sectors.

According to Sukumar, a highly skilled, cost effective manpower pool and vibrant software and IT industry could be the major drivers of the indigenization. There is no denying the fact that India’s prowess in Information Technology (IT) and software services industry is today recognised across the world. The

Giving details, he said many Indian companies have successfully developed critical components and subsystems for many of the end products required by IAF.

striking feature of India's IT and software success story was that, to a large extent, it was scripted by a smart group of visionary private sector entrepreneurs keen on entering the global market by exploiting the "low cost advantage" offered by India. Apparently, the Government stepped in subsequently as a facilitator to give a boost to the IT and software sector through a series of incentives and concession even as the initiative continued to be in the hands of the private sector entrepreneurs. Of course, it must be said to the credit of Government of India that it played a crucial role in introducing and popularizing the concept of Special Economic Zone (SEZ) and exclusive Technology Parks to give a "fresh thrust" to the "human intensive" IT and software enterprise and take it to the "next level of growth". What is more, this development implied that the scope of SEZ and technology parks was extended to embrace other nationally important sectors including aerospace and automobile industry.

Needless to mention, India's aerospace industry is much older than its IT and software sector. The origins of the Indian aeronautical enterprise goes back

to early 1940s when the visionary industrialist Walchand Hirachand established Hindustan Aircraft Company in Bangalore with a view to produce military aircraft for the then Royal Air Force. But despite such an impressive legacy, India's state owned defence enterprise Hindustan Aeronautics Limited (HAL) could not achieve the kind of stature that country's much younger IT and software industry could attain. That the Indian aerospace products and services account for less than 1% of the rapidly expanding multibillion dollar global aerospace market is in itself a telling commentary on the failure of the country to build up a "vibrant and versatile" aerospace industry base and position India as major aerospace hub of global standing.

Why HAL could not blossom into an enterprise on par with Brazilian Embraer is a question that needs immediate and serious consideration. On another front, if the Indian Space Research Organisation (ISRO) could pull off a space spectacular in the form of Chandrayaan-1, India's first mission to moon, what prevented HAL, which is much older than ISRO, from positioning India as a high profile aerospace nerve-

centre is an issue that needs to be deliberated upon with all the seriousness it deserves.

Not surprisingly then, Antony has chided HAL from various platforms for the “the delay and time slippages” in realizing many of the nationally important programmes. What is more, during Aero India-2013 held at Bangalore in February this year, IAF Chief Air Chief Marshal N A K Browne had stressed the point that the Intermediate Jet Trainer (IJT) being developed by HAL which is behind schedule by at least one decade, had serious problems with its engines and as such cannot be accepted in the current configuration. Further, Browne also made the point that HAL’s planned basic trainer would cost more than Swiss made Pilatus, 75 of which have been purchased by IAF. This implies that HAL would need to be serious about sprucing up its act and positioning itself as a dynamic, forward looking, aerospace entity capable of providing a serious competition to global aerospace majors.

Further, Browne also made the point that HAL’s planned basic trainer would cost more than Swiss made Pilatus, 75 of which have been purchased by IAF.

There is no denying the fact that the virtual monopoly of HAL on India’s aerospace and defence sectors-- till a decade back when Government opened up the defence production for private participation-- was partly responsible for the sense of “complacency and smugness” permeating the vitals of this leading aerospace enterprise in South Asia. Indeed, lack of competition meant a slow and steady growth of “lethargy and incompetence” with serious consequences for nurturing the “creative talent” that HAL had in abundance. Similarly, bureaucratic interference, stranglehold of the defence establishment obsessed more with meeting its requirements than developing a home grown technology base as well as the denial of freedom for HAL to move ahead with new and innovative projects meant “creative thinking and spirit of innovation” could no longer be sustained. Indeed, the poor performance of HAL over the years was the result of a variety of factors beyond its control. Though Government of India is planning to restructure HAL by diluting its

own stake in the company, whether this move will lift this Indian aeronautical giant from its current state of mediocrity, no one is sure as yet.

Further, the route of licensed production that HAL chose with a view to honouring the contracts from the Indian defence forces in a timely and economically viable fashion proved to be its own undoing. For such a step resulted in the stifling of “talent and expertise” required to build up a home-grown design, development and manufacturing capability for producing a range of aircraft, helicopters and advanced aerial vehicles. Moreover, the sustained neglect of civil aviation and narrow focus on defence aerospace points to the serious blunder committed by HAL. For civil aviation and defence aerospace have many common and shared technological elements from which HAL would have derived synergy to build up a total aerospace eco system to position itself as a “globally competitive aerospace enterprise”.

The ground reality is that India would need to look beyond HAL to give a “new dimension and wider reach” to its aerospace sector. It is here that the SEZs could be

developed as a “force multiplier” for the national aerospace enterprise which would need a global reach to survive and thrive. Through its integrated and state of the art facilities and human expertise and domain skill spanning a wide range of areas critical to defence and aerospace production, an aerospace SEZ can position itself a full-fledged high tech eco system capable of meeting the diverse requirements of a variety of customers from across the world.

India’s first aerospace SEZ at Hattargi near Belgaum in Karnataka promoted by Quest Global is designed to serve as a well equipped eco system offering complete “design to build” services, right from the concept design to the final, finished product meeting the stringent international quality standards. The strategic advantage of having players across the value chain in the same location would be the amount of time saved in moving parts from one location to another as well as the associated cost of logistics.

Significantly, locations such as Wichita in USA and Toulouse in France matured into widely patronised aerospace hubs

through the dynamics of “cluster phenomenon”. Aerospace focussed SEZs with an eco system built around a full-fledged supply chain cluster could easily meet the diverse needs of a customer at one location, thus helping him save time, money and energy required to source his requirements from widely dispersed geographical locations. But then instances of SEZs falling by wayside after the real estate interests taking an upper hand are dime a dozen.

As things stand now, not even the sky seems to be the limit for the Indian aerospace sector. But then for the Indian aerospace sector to

emerge as a major and serious player on a global scale, the country would need to bring about a paradigm shift in the way the entire aerospace sector is run. A beginning towards this long journey could be made by accelerating the process of setting up a large number of aerospace SEZs with a deep domain knowledge and precision manufacturing capability.

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# Peace In Afghanistan: Decoding The London Trilateral

- *Monish Gulati*

## Introduction

Afghan President Hamid Karzai and Pakistani President Asif Ali Zardari were in London on 3 February 2013 for a trilateral summit meeting with the British Prime Minister David Cameron. The current talks in London were the third in the series with the first two having been held in 2012. The inaugural meeting was in Kabul in July, which was then followed by a meeting at the sidelines of the UN General Assembly in September. In the London talks, the Pakistani and Afghan army and intelligence chiefs took part for the first time. It was reported that the Afghan and Pakistani military and intelligence officials also met informally on 3 February ahead of the summit.<sup>1</sup>

The Afghan peace process, primed by the release of Taliban detainees by Pakistan, had not been progressing as hoped by all stakeholders. On the other hand,

Pakistan in return for the Taliban detainees it had released, expected further cooperation from Afghanistan including a role in training of Afghan National Security Forces (ANSF). Some analysts also felt UK was best placed to resolve the issue of the Durand Line which has never been officially recognized by Kabul, and has been a major cause of tension between the two countries.<sup>2</sup>

## Issues

Leading up to the London trilateral, there were two events of significance after the Paris peace talks in December 2012. First was the visit by Karzai to Washington where he and President Obama announced on 11 January that a negotiating office for the Taliban would be opened in Qatar. However Karzai, on return to Kabul, said there will be no deal until Qatar meets his earlier stated conditions in writing. Second was the core group

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*\*Monish Gulati*

meeting in Dubai where the Pakistan's foreign secretary had said that Pakistan plans to release all Afghan Taliban prisoners still in its custody.

The Afghan President in his inimitable manner set the tone for the trilateral meet with an interview to the Guardian and ITV released late on 3 February. He suggested that Pakistan was preventing the Taliban from entering into peace talks with his government. Karzai also said that the biggest threat to peace in Afghanistan was not the Taliban, but meddling from foreign powers. He took a swipe at the British when he remarked that Helmand situation and security was better before British troops were deployed there in 2006. Hinting at the Taliban safe havens in Pakistan he added that the drawdown of Western troops appeared to have been because they had realised that "they were fighting in the wrong place."

### Taliban for Talks

The US has tried to accelerate the peace process by working with Britain, Norway and Germany to reach out to the Taliban. <sup>3</sup> All these efforts were to work around the Taliban demands for changing the Afghan constitution, withdrawal of all foreign troops from Afghanistan and the most uncomfortable of their entire refusal to recognize the Afghan government while being more amenable to negotiating directly with US.

### Taliban Office

The heart of the disagreement regarding opening of Taliban office in Doha is Karzai's demand that Qatar produce a written memorandum of understanding

agreeing to his preconditions. These demands include assurances that the office would not be used for any "political purpose" other than direct negotiations with Afghanistan, that it have a fixed time frame and be closed if talks do not take place, and that all Taliban negotiators provide "documentation" proving they are legitimate



representatives.<sup>4</sup> Qatar has not agreed on the demands of Karzai Administration that the office should be closed down within six months if Taliban do not start direct talks with HPC.

### **Release of Detainees**

Pakistan's lack of monitoring the whereabouts and activities of Taliban prisoners it released in recent months has frustrated Afghanistan. Pakistan says it doesn't have the resources to keep track of the freed detainees. The HPC had handed Pakistan the list of prisoners, including Turabi, that it wanted freed. They have also asked for the release of the Taliban's former second in command, Mullah Abdul Ghani Baradar, but Washington has urged Pakistan not to release him.<sup>5</sup> There are indications that at least more than half might have rejoined the ranks of the insurgency.<sup>6</sup> In some cases, the released Taliban resorted to suicide attacks. Further Pakistan had released more detainees than Afghanistan had asked for. There has been at least one report of tension between Taliban leadership as a released Taliban leader asked to be reinstated to his former post. The US Embassy in Kabul has called for

“responsible release” of Taliban prisoners and that it was up to Afghanistan and Pakistan to reach to a solution.<sup>7</sup>

### **US Interests**

Top on the US agenda is jump-starting the peace and reconciliation process which is not in-step with its drawdown plans and its exit strategy. Without a meaningful outcome of the political planned in Afghanistan, the US fears will again be accused of abandoning the region, just as it was at the end of the Soviet Union's Afghan occupation in the early 1990s. Worse, if a civil war breaks out, it may do an ‘Iraq’ in South Asia. In addition, U.S. hopes of positioning a post-withdrawal counterterrorism force in Afghanistan while in the near term negotiations are critical to secure the release of Sgt. Bowe Bergdahl, the only U.S. service member known to be a Taliban captive.

### **Pakistani Demands**

Pakistanis want a secure Afghan border, an end to the Balochistan insurgency, coordinated action against anti-Pakistan guerrillas in both countries and reduction of the Indian role in Afghanistan. According BBC News, Pakistan

does not want a repeat of the 1989 pullout by Soviet forces, which left Kabul in the hands of what it regarded as "unfriendly" forces. It fears this may extend Indian influence to its western border.

### Trilateral Summit

Following talks the joint statement issued from Downing Street said, "All sides agreed on the urgency of this work and committed themselves to take all necessary measures to achieve the goal of a peace settlement over the next six months." They urged the Taliban to join the reconciliation process in Afghanistan. Cameron said both Karzai and Zardari had agreed at the summit to initiate 'an unprecedented level of co-operation' between their nations and they hoped to sign an agreement strengthening ties on economic and security issues, including trade and border management, later in the year. He added that discussions at the summit had focused on ways of advancing the Afghan-led peace process as well as strengthening

relations between Pakistan and Afghanistan.<sup>8</sup>

### Outcome

All sides affirmed support for the opening of a Taliban office in Doha for the purpose of negotiations with the HPC. They called on the Taliban to take steps necessary to open an office and to enter into dialogue. However there were reports that Pakistan viewed the Afghan conditions as detrimental to further progress on the peace talks.<sup>9</sup> Another significant commitment was to "strengthen co-ordination of Taliban detainee releases from Pakistani custody." In future Islamabad will send the list of the Taliban inmates to the HPC that would be released from Pakistani prisons. It had been speculated that the Afghan Government will indirectly recognize the Durand Line in a pact "titled Border Management and Strategic Agreement", and in turn Pakistan shall push the Taliban for peace. As per Afghan media when the US pressurized Pakistan for supporting insurgents, General Kayani justified Pakistani action

However there were reports that Pakistan viewed the Afghan conditions as detrimental to further progress on the peace talks.<sup>9</sup> Another significant commitment was to "strengthen co-ordination of Taliban detainee releases from Pakistani custody."

in a 100-page report claiming that NATO, India and Afghanistan wanted to divide Pakistan.<sup>10</sup> The Afghan presidential spokesman, on 10 Feb clarified that the issue of the Durand Line had not been discussed at the trilateral.<sup>11</sup>

### **Transitional Government**

It has also been reported that the Pakistan's delegation during the London talks demanded that negotiations be carried out between Afghan political groups and Taliban to establish a new legitimate administration in Kabul. It is said that the Pakistani delegation had told President Karzai that they were not able to get the Taliban to accept the Afghan Constitution and the Afghan Government, therefore, there is a need to establish a 'new political system'.<sup>12</sup> According to sources, Pakistan held a meeting between warlords, Hezb-e-Islami and the Taliban commanders in the Shamshatoo Refugee Camp in Pakistan where the establishment of a transitional Government in Afghanistan was discussed.<sup>13</sup>

An Afghan Taliban spokesman on Wednesday dismissed the outcome of a conference in London and said that the conference and other "horse trading" were "the real

obstacles of effective and fruitful negotiations between the factual sides".<sup>14</sup> The US on its part said that it supports the Pak-Afghan deadline for finalising a peace deal with the Taliban and urged the insurgents to open a reconciliation post in Qatar. Such a process was "the surest way to end the violence and ensure lasting stability in Afghanistan and in the region". "Our goal here has been to support the creation of a process to make it possible ... for willing Taliban participants to talk directly to the Afghan High Peace Council".<sup>15</sup>

The trilateral was followed by two visits. First was a two-day visit by the British Defense Secretary Philip Hammond to southern Afghanistan to visit U.K. troops on 5 Feb 13. He also met with new Afghan Defense Minister Bismillah Mohammadi in Kabul.<sup>16</sup> The second visit was by Pakistani Prime Minister Ashraf to meet David Cameron on February 12, 2013. During the meeting, the two leaders discussed matters of bilateral interest including the aftermath in Afghanistan following the withdrawal of NATO troops. Prime Minister Ashraf also put in a bid for military hardware for Pakistan. The meeting also covered Indo-Pakistan relations apart from discussions on matters

of bilateral and international importance. Cameron, hailing the recently concluded trilateral meeting, said that Pakistan's role was constructive and he would be visiting Pakistan this summer to carry the process forward.<sup>17</sup>

## Assessment

The trilateral summit meets are organised taking in consideration certain ground realities. For one it is not possible to discuss Afghanistan with India and Pakistan in the same forum. Therefore, the US conducts a trilateral involving India while the UK manages one with Pakistan. Second, the UK has been more active in dealing with the Taliban representatives and involving them in the power sharing mechanism in Kabul (since the Saudi organised peace talks in 2009) and at the same time it mitigates the turbulent relationship Pakistan shares with the US particularly for the political constituency in Pakistan. The present meet involved the military and intelligence chiefs giving due recognition to the various power centres in Pakistan, and possibly signaling a more

direct and on the table approach to speed up the process.

Although the Taliban appear more ready to talk than ever before, peace talks remain tenuous on account of a rising number of interlocutors on either side — all trying to get some kind of negotiations started with various combinations of stakeholders. Reportedly, members of the Taliban are in contact with representatives from 30 to 40 different countries. Recent informal talks in Doha had the intervention of a Pakistani politician Mullah Fazlur Rahman and Yusuf al-Qaradawi who has contacts with the Muslim Brotherhood in Egypt. The timeline of six months set by the trilateral summit, deemed overly optimistic by most experts, is most probably derived from the imperative to get the Taliban to participate in the upcoming provincial and Presidential elections in Afghanistan and the filing of nominations for the same. There is also this need to settle the border issue and Pakistani requirements at the earliest to get on with the peace process in right earnest.

The trilateral summit meets are organised taking in consideration certain ground realities. For one it is not possible to discuss Afghanistan with India and Pakistan in the same forum.

Second, the idea of the transitional government being introduced into the peace process aims at finding a way around the Taliban's refusal to deal directly with the Karzai government. The idea of transitional government also puts pressure on the Afghan government to dilute its demands concerning the Taliban office in Qatar.

Another issue of note is the Pakistani demand for weapons from UK. The armaments in question would most likely be those being moved out of Afghanistan by the British troops as a part of their drawdown. Pakistan has made a similar demand to the US coinciding with the move of the first lot of containers from Afghanistan through Pakistan. Third is the Pakistani desperation to get the SPA through comes from the fact that NATO/ISAF countries are basing their training mission in Afghanistan post-2014 on their respective SPAs signed with Afghanistan. India, unlike Pakistan, having signed an SPA with Afghanistan is better placed to ramp up its training role post-2014. India has viewed with unease the British efforts to push through the SPA between Afghanistan and Pakistan.

It is widely believed that British interlocutors had a leading role in the drafting of the five-point peace process roadmap for Afghanistan which mainly addresses Pakistan and Taliban interests in the region. There is a sense that the elements of the erstwhile Northern Alliance, more favourably disposed towards India, are being sidelined in the peace process. India is also uncomfortable with the distinction US has made between Al-Qaeda and other militant groups operating in the region for pushing through the peace process. Taliban, TTP, IMU etc may not pose any threat to the US but they definitely have security implications for India.

Indian apprehensions also stem from the fact that it believes the entire peace process is Pakistan-centric and does not address the regional concerns. To that end India is contemplating talks with Russia and China to give the peace process a more regional outlook. India is also of the opinion that due consideration must be given to the interests of countries which are investing, particularly in the infrastructure sector, in Afghanistan. India feels that British intervention through a hastily-cobbled deal between

Afghanistan and Pakistan including bringing the Taliban into the power structure in Kabul, aims to give the NATO and the US an honourable exit from Afghanistan.

## Conclusion

When viewed favourably it can be said that the London trilateral represented a convergence of three important players in Afghanistan on the urgency of resolving issues and making efforts towards peace through a political settlement. The big question however remains whether Karzai has accepted the need to have a Taliban office in Doha sans conditions and in turn his demand to be the sole Afghan interlocutor with the Taliban has been accepted by the other concerned parties.

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## VIF Delegation Visits Beijing For Seminar On “Afghanistan Post 2014; Perspectives From The Region”

A five member VIF delegation led by Mr. Ajit Doval and comprising of Amb. PP Shukla, Gen. (Retd.) NC Vij, Lt.Gen. (Retd.) Ravi Sawhney and Brig. (Retd.) Vinod Anand visited Beijing from 13 to 15 March 2013 to participate in a seminar and interact with some of the think tanks of China. On 13<sup>th</sup> March a trilateral seminar between China Institute of Contemporary International Relations, Vivekananda International Foundation and Royal United Services Institute, UK was organized to deliberate on ‘Afghanistan Post 2014: Perspectives from the Region’. The opening remarks were made by Prof. Malcolm Chalmers of RUSI, Mr. Ajit Doval and Mr. Yang Mingjie, Vice President (CICIR); all highlighted the need for regional cooperation to usher in peace and stability in Afghanistan.

First Session was devoted to prospects of political stability in

Afghanistan where Prof. Wang Shida gave out Chinese perspective on the political and security situation in Afghanistan. He was appreciative of the negotiations process with Taliban. Sir William Patey, former UK Ambassador to Afghanistan opined that parties are not likely to deliver what is planned; post-2014 situation would be messy but manageable. Lt. Gen Sawhney stressed that security situation would be impacted by the exit policy; there was a need to build up the Afghan national security forces and provide them with adequate budget; conduct of Presidential elections in a free and fair manner with proper security arrangements was very necessary.

Second Session dwelt on Afghanistan’s Economic Future. All the three speakers i.e. Dr. Raffaello Pantucci (RUSI), Dr. Hu Shisheng and Vinod Anand brought the importance of exploiting mineral and hydro carbon wealth of Afghanistan to





generate revenues for Afghan government. There was a need for private sector investment in Afghanistan but because of adverse security situation the private companies were reluctant to invest. It was highlighted that Afghanistan is a hub for multimodal corridors that could go in all directions for increasing trading and investment activity which again could generate large amount of revenues on a sustained basis but this would require building of infrastructure and regional cooperation. Some measures have already been taken in this direction but much more needs to be done. Further, a quick or accelerated withdrawal by the NATO/ISAF troops would also impact the Afghan economy adversely. The need for coordination between China and India on this aspect was also emphasised.

The third Session dwelt upon 2014 and implications for regional security. Gen NC Vij highlighted the role of Pakistan and Pakistani based Taliban groups in the ongoing turmoil in Afghanistan. He underlined the fact that entire process seems to be Pakistan-centric rather than Afghan centric with Pakistan aiming to be in the driver's seat. Dr. Wang Xu

discussed four possible scenarios in Afghanistan which included low level civil war, possible division, a relative power balance scenario and a worst case scenario. He also stressed that China's Western Area Development plan cannot be realized unless there is stability in Afghanistan. He was of the opinion that SCO's counter terror mechanism could be useful.

In Session IV the possible regional mechanisms for solving the Afghan puzzle were discussed. Amb. PP Shukla discussed the importance of all the neighbours including their interests. He was of the opinion that in case Taliban reverts to power it is unlikely that it will mend its ways as its ideology is deeply rooted in the Salafi/Wahabi mindset. Dr. Wang Xu questioned the formulation of third party meddling in Afghan affairs; he was of the opinion that there are too many parties to the Afghan issue. Therefore, can a limit to how many members should be there in a regional mechanism be drawn? According to him a regional mechanism under the aegis of the U.N would be more conducive for addressing the Afghan issue.

The closing remarks were given by Mr. Ajit Doval, Prof. Malcolm

Chalmers and Mr. Yang Mingjie. There was a general consensus that what is needed is an Afghanistan which does not collapse after the western troops leave. There was a need to build up the ANSF and bring peace and stability in Afghanistan.

Cooperation between China and India to help Afghanistan would also find positive resonance in the region.

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# Interaction Of VIF Delegation With China Institute For International Strategic Studies At Beijing

A VIF delegation led by Mr. Ajit Doval and comprising of Gen. (Retd.) NC Vij, Amb. PP Shukla, Lt. Gen. Ravi Sawhney and Brig (Retd.) Vinod Anand visited China Institute for International Strategic Studies at Beijing on 15<sup>th</sup> March 2013 and interacted with their faculty. The topics discussed were Sino-Indian relations and the emerging scenario in Afghanistan.

Mr. Ajit Doval highlighted the importance of bilateral relationship between the two countries. He was of the view that there are plenty of commonalities between the two nations as far as threats and challenges to the two countries are concerned. There was a need to look for innovative ways to improve the relations between the two. Mr. Zhao Ning, the leader of the Chinese delegation agreed with the observations made by Mr. Doval and stressed that both are emerging economies and if we like the current century to be described as Asian century then cooperation between India and China was very

important. Amb. Zhao Gang, a former Ambassador to India deliberated upon Sino-Indian relations. He opined that Chinese government was satisfied with the present state of China-India relations; he highlighted the frequent exchanges between high level leaders from both the sides. There was cooperation in multilateral



organizations/institutions, enhanced economic exchanges, cooperation in anti-terror efforts etc. Yet, he said that there were problems in some areas; peace and tranquility has been maintained on the border and there was a need for a resolution. However, his remark that Sino-Indian border is 2000 KM in length was promptly questioned by Amb. PP Shukla and Gen. NC Vij. Amb. PP Shukla further stressed that this claim of border being 2000 KM long was of recent origin and the solution to the boundary question should be found at the earliest. Amb. Shukla also remarked that the question of trade imbalance between India

and China also needs to be addressed. Further, China was similar to India culturally and emotionally and Beijing should leverage this goodwill.

Gen. NC Vij spoke about his official visit to China and remarked that so far as boundary issue was concerned not much progress has been made in the last 13 years; he was of the view that if China has been able to solve its boundary problems with 13 countries then why can't it be solved with India. He also remarked on China's unconditional friendship with Pakistan with which India is uncomfortable. Further, there was a need to enhance mil to mil relations between the two countries.

Afghanistan issue was also deliberated upon and Chinese perspective on 'possible scenarios

of post-2014 Afghanistan' was articulated by Mr. Lin Yu. Main concern was the spread of terrorism in case of unstable conditions in Afghanistan. There was a need for an Afghan national reconciliation otherwise a civil war scenario was a distinct possibility. Mr. Mu Changlin also observed that China was very worried about the situation. Mr. Ajit Doval and Lt. Gen. Ravi Sawhney gave out the Indian perspective on evolving situation in Afghanistan and possibilities of cooperation between the neighbours of Afghanistan including China and India. There was a general consensus that there were many uncertainties in the emerging Afghan scenario and regional cooperation was necessary for a positive outcome.

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## Vimarsha: “Decolonising The Indian Mind”

On 16 March 2013, VIF welcomed Prof. Kapil Kapoor, former Pro-Vice Chancellor of Jawaharlal Nehru University and Editor in Chief of the *Encyclopedia of Hinduism*, as the guest speaker on its *Vimarsha* series of talks by eminent persons. Mr. Ajit Doval KC, Director VIF, stated that “Minds” will be the future tools of establishing control and therefore it is very important to understand how colonised the Indian mind today is. More daunting is the task of “Decolonising the Indian Mind” – precisely the subject on which Prof. Kapoor was going to deliberate upon during his talk.



Assessing the Indian Mind, Prof. Kapoor elaborated the likely effects of colonisation on our minds, a few of which are identity crisis, loss of ‘voice’, and submergence of vocabulary, and as a consequence we observe subjugation of minds which can be seen in our attitudes, decisions, self-appraisal and practices. Thus, because of colonisation we lost self-knowledge, traditions, cultures and values. However, this ‘loss of self-knowledge’ is usually

accompanied with the process of ‘recovery’ and therefore the entire phenomenon is cyclical, known as *Vyasa Parampara*.

The British colonisation was different from the previous Greek and Islamic interventions. During the British period, we lost our sense of adversary, or what is called *the shatru-bodha*, and embraced the colonisers, presuming that they had come to liberate us. The British left behind

an education system that still keeps us colonized even after 60 years of Independence. This educational system taught us human centrality, dissected God/Gods from Nature, asserted that the rest is there to serve human purpose, and that nature is not sacred. It established adversarial relations between Humans and Gods.

As a result, Prof. Kapoor argued, the Indian mind, especially the educated class, can observe conflicts in our values. Instead of practicing restraint or *Sanyama*, we practice indulgence; instead of a disciplined life or *Niyama*, we endorse freedom; instead of

reverence or *Shraddha*, we believe in disposing off (whether objects, or relations); and instead of identifying and fulfilling our duties or *Dharma*, we fight for our rights.

In concluding his talk, Prof. Kapoor emphasized on the importance of our education system, stressing on how Macaulay and others had transformed our education to suit

the British colonial interests, and argued that re-structuring our education system is the key to begin the process of decolonisation of the Indian mind. The session was concluded with a set of questions raised by an enthusiastic audience, clearly capturing how well the talk was received.

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## Interaction With Members Of Goodwill Delegation From China Association For International Friendly Contacts (CAIFC)

On 18<sup>th</sup> March 2013, VIF team led by Ambassador P.P. Shukla interacted with members of Goodwill Delegation from the China Association of International Friendly Contacts (CAIFC). The VIF team included Sandhya Jain, Prof. Makkhan Lal, and Prof. Kapil Kumar as key speakers, while the CAIFC Team was led by Mr. Xu Jialu, Senior Advisor to CAIFC, and included Mr. Xin Qi, Vice-President CAIFC, and Mr. Tian Wei, as key speakers.

The session began with VIF speaker, Sandhya Jain, who spoke on Christianity and its threat to the sister civilizations of India and China. Explaining the threat, Ms. Jain emphasized on the political aspect of the threat principally. Beginning from the period of renaissance and the rise of Roman Empire, colonization has adversely affected both China and India. While threats aren't direct today, but ideological warfare and attempts at what is now called neo-colonisation continues. Concluding her talk, Ms. Jain

underlined the importance of India and China helping each other in meeting the cultural and religious challenges that we face.

The next speaker was Prof. Makkhan Lal who encapsulated the rich cultural beauty of the Indian civilization in his presentation. Assessin

g the Indian and Chinese cultural histories, Prof. Makkha



n Lal argued that despite numerous foreign invasions, the two cultures have survived. Illustrating the argument, Prof. Makkhan Lal showed slides on “Pipal” leaves, “Namastey” (way of greeting), “Swastika” (a holy symbol), and “Shiva Linga”, explaining how their cultural importance has remained imbibed in the Indian civilization for over a span of 5000 years and is strongly alive at present. Prof. Makkhan Lal then enlightened the

participants with the story of Buddha, who had to follow the Hindu tradition of seeking permission from his wife, in order to become a preacher, arguing that Buddhism was never considered outside Hinduism but rather as a part of it.

Prof. Kapil Kumar then discussed the contemporary cultural context. He argued that the sufferings which the two civilizations of India and China have faced should rather bring the two nations closer. Highlighting the fact that the Western world would not want the two powers to develop amicable relations, Prof. Kapoor urged the two nations to establish strategic cooperation and make a future together. Stressing on the importance of younger generation, Prof. Kumar proposed to develop exchange programmes which would bring the younger generations of India and China in touch.

CAIFC speakers, Mr. Xin Qi and Mr. Tian Wei spoke on various aspects of cultural affinity that the

two civilizations of India and China have had in the long history. A similarity which was highlighted between India and China was the importance of mind and soul as a parameter of judging civilizations and not just material wealth. Another linkage discussed was Buddhism. It was unanimously agreed that by opening up Buddhist cultural centers in India and China, we could increase cultural exchanges and tourism which would bring the two nations closer. Mr. Xu Jialu and Ambassador Shukla thanked the speakers and also expressed their mutually-shared belief that VIF and CAIFC would joint-venture in the long run for more such meaningful exchanges of ideas.

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## Joint VIF – GIMI Seminar On Response To Terrorism And Situation In West Asia

On 28 March 2013, VIF welcomed a delegation from the Galilee International Management Institute (GIMI), Israel for a seminar on Response to Terrorism and Situation in West Asia. The seminar began with opening remarks given by Ambassador P. P. Shukla, Joint Director VIF and Maj. Gen (retd) Dr. Baruch Levy, GIMI. The Seminar was divided into four sessions with specific focus on “Global Terrorism: Response”, “Arab Spring: Implications and Ramifications”, “Af-Pak Post-2014 Scenario: Global and Regional Implications”, and “Geopolitics and Iran”.

### Session I- Global Terrorism: Response

The Session was chaired by Ambassador Shukla and had Dr. Levy and Dr. Ajay Sahni as the key speakers. Dr. Levy spoke on the Israeli experience and concepts of global terrorism. Dr. Levy described Israel as an Island in the Middle East with inimical countries surrounding it and asserted that it, therefore, has a pro-active concept of national

security where deterrence is achieved by early warning and military performance. Assessing the present situation in Israel and the entire region, Dr. Levy underlined the fact that the threat posed by religious extremism and the weakness of democracies in coping with terror are critical challenges. He asserted that intelligence and security agencies have to conduct both offensive and defensive operations to degrade terrorist organisations. Meanwhile, he also highlighted the need to prepare for handling energy, space and cyber terrorism, which will present new security challenges in the coming years.

Dr. Ajai Sahni focused on state-sponsored terrorism. He argued that all enduring terrorist movements in the world are state-sponsored or state-supported; everything else is tactical. The spectrum of state sponsorship of terror is wider and includes the provision of weapons, training, safe havens, ideological mobilisation, etc. Assessing the situation in India, Dr. Sahni mentioned that more than 62,000 people have lost their lives due to

acts of terrorism sponsored by external support. He stressed on the need of open acknowledgement of state sponsorship of terrorism, while, at the same time, continuing to persist in other patterns of engagement with them. Dr. Sahni also stressed on the need to de-legitimise any cause behind an act of terrorism. This inflexible approach would force states away from tactical advantages that terrorism offers.

## **Session II – Arab Spring: Implications and Ramifications**

The second session was chaired by Dr. Joseph Shevel, GIMI, and included Ambassador Kanwal Sibal and Admiral Shabtai Levy as the two key speakers. Amb Sibal spoke on India's perspective on Arab Spring. He said that the term Arab Spring is a misnomer. It was basically the overthrowing of a regime whose sell-by date had expired. However, Amb Sibal argued that there can be no democracy unless there is a genuine break between religion and politics. He highlighted that there is an anti-thesis between Islam and secularism; they both are incompatible. Amb Sibal said that India is not comfortable with the overthrow of secular regimes and the coming to power of

extremists like the Salafists and Muslim Brotherhood. The erstwhile regimes, despite their despotic nature, exercised control over the extremists. He reassured that an Arab style revolution cannot take place in India as the Muslims here are empowered and part of the democratic system.

Adm. Levy began his talk by assessing whether it was an Arab Spring or Winter? The domino effect of the fighting and instability in Syria can reach Israel's borders. He argued that freedom of navigation is central to Israel's economic and security interests. Israel has tremendous experience in countering terrorism due to continuous involvement for the past 40 years. Today, Adm. Levy argued, the terrorists are greatly deterred by Israel's actions and they refrain from touching its aviation systems for hijackings because they know there would be repercussions. He also expressed his hope that the Israel's peace agreements with Egypt and Jordan will remain intact. Israel has good relations with India, Turkey and Jordan which needs to be strengthened further. The developments in Iran and Afghanistan and the question whether they go into the

Salafist/extremist/Al Qaeda fold needs to be observed closely.

### **Session III – AF–PAK 2014: Regional and Global Security Concerns**

The session was chaired by Ambassador Satish Chandra and included Dr. Joseph Shevel and Lt. Gen. (ret) Ravi Sawhney as key speakers. Dr. Shevel began his talk by introducing the work which GIMI has been doing across the globe. Bridging gaps through education and capacity building programs has been the mission of GIMI. Dr. Shevel insisted that through cooperation in higher education and capacity building programs, Afghanistan's growing instability can be cured. Also, on the Afghanistan's security aspect, Dr. Shevel argued that a well educated and technically trained Afghan National Army (ANA) would be much more capable of ensuring Afghanistan's safety post-2014.

Lt. Gen. Sawhney began his talk by describing a well captured image, depicting the ground realities as they were before 2001 and at present. The Afghanistan before 2001 was in rumbles, with

no infrastructures like schools, hospitals, etc and no doctors and teachers. However, Lt. Gen. Sawhney highlighted that Afghanistan has seen remarkable progress in many aspects of life. Assessing the sense of nationalism in Afghanistan, while Lt. Gen. Sawhney recognized the vast number of tribes and ethnic groups which constitute the nation, he, however, stressed that there is a sense of strong nationalism which holds them together.



On the prospects of Afghanistan post-2014, Lt. Gen. Sawhney addressed certain questions which would be central to the security of Afghanistan and the entire region. First was the question of the extent of forces of the US and NATO which would be left behind post 2014. The second question was on the process of reconciliation between the Afghan Government and the Taliban. Lt. Gen. Sawhney assessed the possibility of any successful reconciliation to be remote as Taliban insurgents do not seem to be willing for any reconciliation at all. The third question was of the Presidential elections which are to be held in April 2014. Lt. Gen.

Sawhney argued that it would be absolutely necessary to see that the elections are held before the withdrawal and that the newly elected government gets sufficient time to establish firm control over the country.

#### **SESSION IV – Geopolitics and Iran**

The fourth session was chaired by Ambassador R. Rajagopalan and included Maj. Gen. (ret'd) Dr. Baruch Levy and Dr. Arvind Gupta as the key speakers. Dr. Levy, firstly, mentioned the long civilization history of Israel and Iran, describing how the two civilizations have, in fact, had periods of friendly relations. However, Iran, since 1979, has gone deep into fundamentalism and instead of becoming a liberated society, Iran has become an oppressed one. Iran has also taken up terrorism and has lead in sheltering, training and investing in terrorism and terrorist activities. Dr. Levy also expressed his concerns on Iranian nuclear program. Discussing the upcoming elections in Iran, Dr. Levy argued that a new President could bring about a policy change in Iran.

Dr. Arvind Gupta analyzed the much broader concept of

geopolitics in context of Iran. It is an ancient civilization which gives its people tremendous depth and insight; it has an exceptional geographic location, dominating the Persian Gulf; it connects with Eurasia, South Asia, and controls an important Strait of Hormuz; it is the largest Shia country; and its ongoing nuclear program affects the security concerns of the West, GCC, etc. As far as the nuclear program is concerned, Dr. Gupta argued that Iran may survive the economic sanctions which have been put to stop Iran from pursuing the development of nuclear weapons. While affirming that the sanctions have hit the economy badly, there are doubts whether the sanctions will bring down the current regime. As Dr. Gupta rightly pointed out, Iran and its people have faced tough conditions in the past and they will readily cooperate with the regime, considering the fact that the nuclear project is a matter of national pride.

On the speculation of an attack on Iran, Dr. Gupta underlined the fact that Iran has a strong air defence system. He also highlighted that their nuclear projects and military establishments are underground and spread across vast lands, thus

any ground military action will be too expensive. On Indian relations with Iran, Dr. Gupta asserted that it is highly speculative. Iran has not forgotten India's vote against it in a resolution passed by the IAEA. Yet, considering the issues of energy security, India would need oil supplies from Iran, despite the tremendous amount of cut down which India has already introduced on Iranian-oil imports.

Ambassador Shukla concluded the seminar, thanking all the chairs and speakers. He thanked the delegation from GIMI and expressed his hope for more exchanges with specific focus on the agenda of Afghanistan post-2014 and Israel's role in it.

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## Interaction On Indo-Israeli Cooperation: Prospects And Issues

On 29 March 2013, VIF welcomed Ambassador Alon Ushpiz, Israeli Ambassador to India, and the delegation from Galilee International Management Institute (GIMI), Israel for an interaction on Indo-Israeli cooperation. The session was chaired by Ambassador P. P. Shukla, Joint Director VIF, who introduced Amb Ushpiz, welcomed Lt. Gen (retd) JFR Jacob, one of the Indian War Heroes, and pitched the agenda for discussion.

Amb Ushpiz addressed the distinguished participants by giving a holistic overview of the Indo-Israeli bilateral relations and at the same time candidly assessed the realities and practicalities. Amb Ushpiz mentioned that the Indo-Israeli relations are based on common democratic values; and that we have a vast set of common interests. India and Israel also have similar challenges, that of energy security, water security, and a “cocktail” of failed states in the neighbourhood. However, Amb



Ushpiz also highlighted that there are basic differences between India and Israel, some of them being size and population, different political alliances after Independence, etc.

Amb Ushpiz affirmed that Israel attaches very high value to its bilateral relations with India. Highlighting the sectors of Defence, Agriculture, Civilian Trade, etc., Amb Ushpiz asserted that the scope of strengthening of the bilateral relations in the mentioned sectors is huge and is likely to expand exponentially in the coming decades. He underlined that Israel wishes to provide India with technology and invest highly in R&D programmes in affiliation with the Indian Government, private sector firms, and universities.

Addressing the security concerns of India, Amb Ushpiz also reassured that Israel has never and will never sell any military technology to any of India’s adversaries. Amb Ushpiz also

focussed on Palestinian issue, militarily-nuclear Iran, and Afghanistan post-2014.

The talk was followed by a series of comments made and questions raised by members of VIF and GIMI. They broadly covered the Indo-Israeli relations and its positions on the broader geopolitics of West Asia, Israeli

security concerns, Indian security concerns, and the marginalized visibility of the strong Indo-Israeli bilateral relations.

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